

**CITY OF YONKERS,
NEW YORK**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**Fiscal Year Ended
June 30, 2013**

**Prepared by the
Office of Finance and Management
Services**

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STATISTICAL SECTION (Unaudited)
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This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the City's overall financial health.

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**INTRODUCTORY
SECTION**

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THE CITY OF YONKERS GOVERNMENT

EXECUTIVE BRANCH

**MIKE SPANO
MAYOR**

LEGISLATIVE BRANCH

CITY COUNCIL MEMBERS

CHUCK LESNICK, City Council President

**WILSON A. TERRERO, Majority Leader
CHRISTOPHER JOHNSON
MICHAEL SABATINO**

**JOHN LARKIN, Minority Leader
DENNIS SHEPHERD
MIKE BREEN**

ADMINISTRATIVE OFFICERS

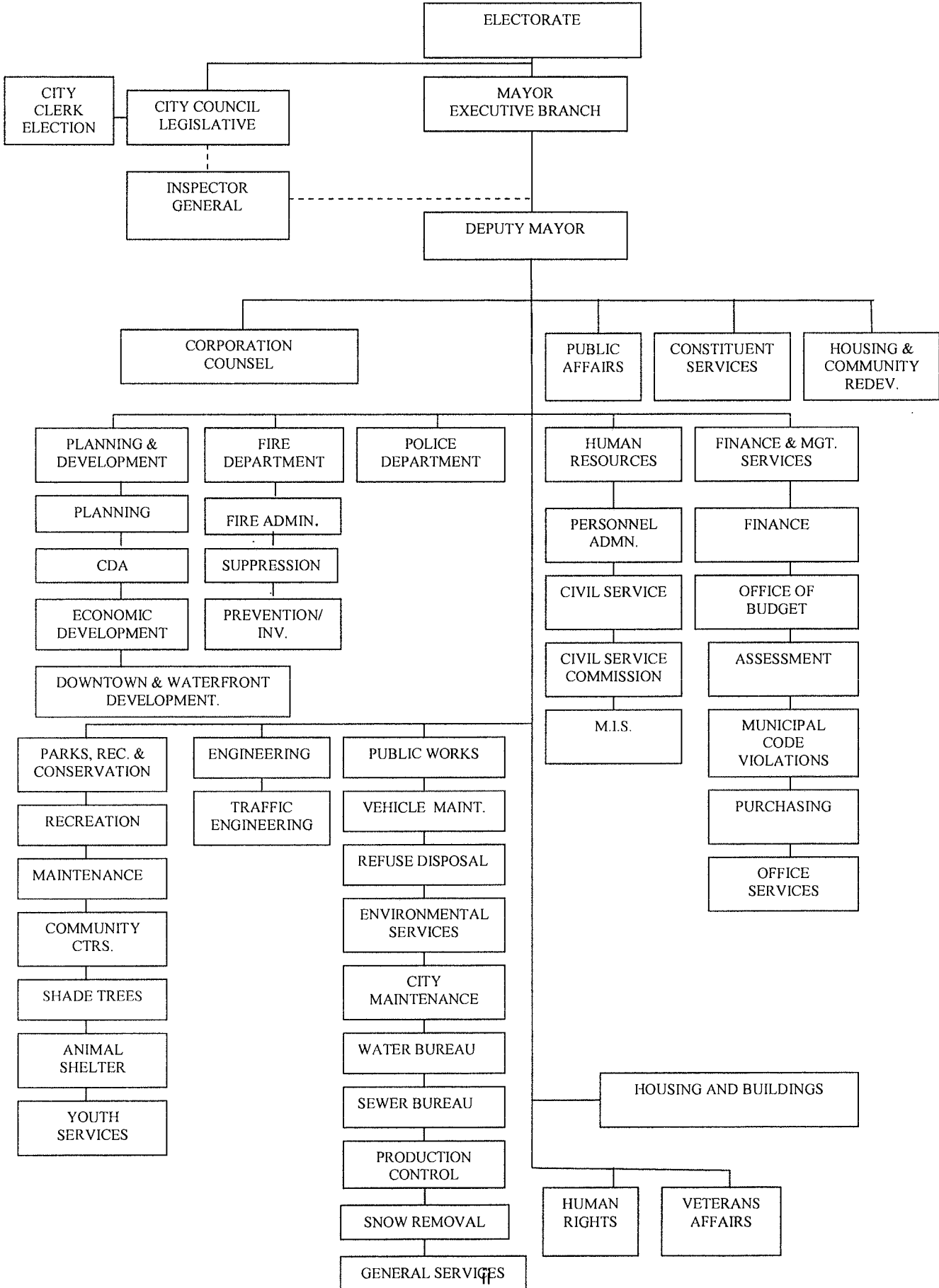
**SUSAN GERRY
Deputy Mayor**

**STEVE LEVY
Chief of Staff**

**JOHN LISZEWSKI
Commissioner of Finance and Management Services**

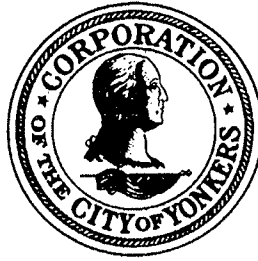
**MICHAEL CURTI
Corporation Counsel**

**CITY OF YONKERS
ORGANIZATIONAL CHART
2013**



MICHAEL J. SPANO
MAYOR

JOHN A. LISZEWSKI
COMMISSIONER



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40 SOUTH BROADWAY
YONKERS, NEW YORK 10701
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CITY OF YONKERS
DEPARTMENT OF FINANCE AND MANAGEMENT SERVICES

April 18, 2014

To the Honorable Mayor
and City Council of the
City of Yonkers, New York

The Comprehensive Annual Financial Report ("CAFR") for the City of Yonkers, New York ("City") for the fiscal year ended June 30, 2013 is herewith submitted. The New York State Comptroller's Office and Section C4 - 9 of the City Charter requires the City to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to these requirements.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by O'Connor Davies, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2013 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's basic financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The financial section includes a narrative introduction, overview and analysis of the June 30, 2013 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE CITY

The City was incorporated in 1872. As provided by the New York State Constitution, the City operates pursuant to the City Charter, adopted in 1961 and subsequently amended. The City also operates in accordance with other State laws including General City Law, General Municipal Law and Local Finance Law, to the extent that such laws are applicable to a City operating under a charter form of government. The City also operates in accordance with the Special Local Finance and Budget Act of 1976 ("Act") for the City of Yonkers, New York.

The City is Westchester County's largest municipality, with a population of 198,449 according to the 2012 U.S. Census estimate. Ranking as the fourth largest city in New York State in terms of the number of residents, it covers an area of 18.3 square miles including more than four miles of prime waterfront land along the eastern shore of the majestic Hudson River. The downtown and central-city areas are built on rising terrain sweeping back from the Hudson River, an unrivaled geographic position in terms of natural beauty and accessibility to the pleasures and amenities that only a riverfront location can provide.

The City operates under a Mayor-Council form of government. The Mayor is elected for a four year term and is designated by the Charter to be the chief executive officer. The City Council President is elected City-wide for a four year term and the six City Council members are elected from single member districts for four year terms. All City elected officials are limited to eight years of consecutive service in the same position. The legislative power is vested in the City Council. The City Council President presides over the deliberations of the City Council. The main responsibilities of the City Council are to adopt the annual budget, levy taxes and authorize indebtedness.

The City is responsible for and maintains police, fire, sanitation, water services, streets, parks and playgrounds. Although it is also, in large measure, responsible for the financing of local primary and secondary educational expenditures, the Board of Education, comprised of members appointed by the Mayor, administers the City's school system. Pursuant to State law, the County of Westchester, not the City, is responsible for the local funding of mandated social service programs such as Medicaid, Family Assistance and Safety Net programs. The City is financially accountable for the Yonkers Downtown Waterfront Development Corporation ("Corporation"), the Yonkers Economic Development Corporation ("YEDC"), the New Main Street Development Corporation ("NMSDC") and the Yonkers Pier Development, Inc. ("YPDI"), legally separate entities, which are reported as discretely presented component units within the City's basic financial statements. Additional information on the component units can be found in Note 1, A in the notes to financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

Just thirty minutes from midtown Manhattan, the City is blessed with numerous distinctive residential neighborhoods, both urban and suburban in character. The City is known for its diverse and highly skilled labor force, its splendid public resources and gardens, stately historic sites and public buildings, more than 100 parks and playgrounds, elementary and higher-educational facilities closely geared to the population's evolving needs, transportation and highway networks that speed connections to the New York Metropolitan Area and beyond – plus an array of ultra-modern shopping centers and retail facilities that form a core part of the City's economy.

The City is served by two private, not-for-profit hospitals and medical-care centers, all of which have long-established reputations for technological excellence and advanced treatment. All these elements and more – the "mix" that makes the City so unique and inviting to new development and initiatives – are manifestations of the City's underlying and ever-growing strength as a flourishing business, commercial, and manufacturing center.

The City's metropolitan area has an abundance of well located development sites for large scale corporate and business projects and for a wide diversity of "human scale projects" (entertainment, dining, cultural and arts activities and more). The latter are expected to attract constituencies made up of local families and business groups as well as those from surrounding areas. The prime development sites are readily accessible through the City's impressive network of transportation and highway facilities. The goal for revitalization of these areas is this: by creating a "new" multi-faceted Yonkers, the City is destined to become a magnet for commercial activity.

The City is taking a strategic approach in moving toward its net milestones of growth. There are two distinct, but interrelated, parts to the plan. First, the City has dedicated itself to attracting specific categories of business, highly specialized technology firms (those servicing the internet and biotech industries, for example); service and professional groups, and light manufacturing or industrial companies, seeking to expand and/or relocate in an area that is literally minutes from the nation's largest marketplace. Second, it is also focusing on the need to foster opportunities for carefully planned and responsible development of residential housing, mixed-use projects, as well as recreational, entertainment, and hotel/conference-center facilities.

Completed Economic Development Projects

Construction is now completed on the following projects:

- The \$22 million unearthing or "daylighting" of the Saw Mill River at Larkin Plaza that transformed a parking lot into a river-themed park now known as Van Der Donck Park.
- Both phases of the Hudson Park Apartments by Collins Enterprises featuring more than 550 market-rate residential units, office and retail space on the waterfront.
- The Larkin Plaza aka Warburton Avenue Parking Garage has been completed and created 300 parking spaces, 120 of which were replacements for those spaces eliminated by the Daylighting of the Saw Mill River project.
- Construction on the waterfront of a half mile Esplanade Park.
- Empire City at Yonkers Raceway previously completed a major expansion and recently finalized construction on another \$40 million expansion.
- The rezoning of the downtown Yonkers and South Broadway corridor.
- The construction of 66 Main Street, a geo-thermal heated, new construction 6 story building with 171 residential units and a parking garage.
- The new construction of 42 units at the Ashburton Avenue Senior building.

- The Father Pat Carroll Green is a city-sponsored affordable homeownership project with rental units to ensure affordability. There are 62 two-family townhouses, grouped within clusters of three-story buildings with off-street parking.
- Construction was completed and the building fully occupied at 49 North Broadway creating 92 units of work force housing.
- New Legoland Discovery Center – The first in the Northeast.
- The build-out of the Y-Enterprise Business Center. Its focus is on providing emerging businesses with access to fully-functional workspaces and the opportunity to grow.
- Ridge Hill Village opened in the spring of 2012 and includes 1.3 million square feet of retail space, residential housing units and 5,000 parking spaces.
- Cross County Shopping Center, the first outdoor shopping center in the country, has completed its \$350 million expansion and renovation.
- The new construction at 330 Riverdale Avenue, an 11-story building consisting of 137 “green” rental units, comprised of studios, one and two-bedroom units plus parking spaces.
- Lillie Pearl on the Hudson is a 12 unit, 3 ½ story multi-family affordable ownership complex that has been completed and occupied.
- Station Plaza, a 70,000 square foot office building in the downtown area.
- Construction of a 450 seat Amphitheatre at the Hudson River Museum.
- IAC Search, a high-tech internet company, completed renovations and relocated 160 employees into ipark.

Long-Term Financial Planning

The City's future projects include the following:

- Collins III – Hudson Park North will be a luxury rental apartment building consisting of 294 one and two bedroom units, the majority of which have views of the Hudson River and Palisades or New York City. Project planning approvals are all in place and applicant is working on a building permit.
- Cross County Shopping Center has started the construction for the conversion of a dilapidated, eight-story office building into a hotel with a capacity of 150 rooms. It was spearheaded by the City's Industrial Development Agency and, upon its completion, will bring needed lodging accommodations to the southern Yonkers area.

- The redevelopment of the former Teutonia Hall on Buena Vista into a mixed-use facility has started.
- Mills Street Courtyard – Phase II of the daylighting of the Saw Mill River between North Broadway, Warburton Avenue and Main Street connection.
- Phase III Daylighting at River Park Center -Yonkers used \$8 million in state grant funding to acquire properties for the next phase of the daylighting project.
- Rehabilitation of the Main Street Library to approximately 24 live/work residential units on the upper two floors and 8,000 square feet ground floor retail.
- Rising Development is the conversion of occupied and vacant buildings south of the daylighting project area into mixed use residential and commercial development. Approximately 223 residential units, 38,184 sq. ft. of retail, 78,009 sq. ft. of office space and 229,469 sq. ft. of a mechanized parking garage.
- New construction is starting on 353 residential units at the River Club apartment project on northern Warburton Avenue.
- The planned \$200 million rehabilitation of the former Glenwood Power Station into a destination place, with a hotel, conference center, spa and variety of restaurants.
- Austin Avenue – Targeted development for approximately 300,000 sq. ft. of mixed use.
- Redevelopment of the Boyce Thompson Plant Science laboratory property into a mixed use development.
- Redevelopment of the long vacant Longfellow School into a 70 unit residential development.
- Redevelopment of the former Public School 6, to construct two residential buildings on the site, consisting of 50 senior units and 70 family units for those earning between 30-60% of area median income began April 2013.
- Redevelopment of the former City Jail into an art gallery and prospective artist lofts by the prominent art collector Daniel Wolf and renowned architect Maya Lin.

Relevant Financial Policies

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Certain elements of the City's budget process are prescribed under guidelines within the Special Local Finance and Budget Act of 1976 ("Act") for the City of Yonkers, New York. This Act was enacted and designed to prohibit the recurrence of practices that created fiscal conditions that precluded the City access to financial markets. The most significant financial components of the Act require 1) that budgeted operating expenditures be limited to amounts not less than those of the

previous audited year and requires revenues to be estimated at not more than those of the previous audited year, unless justification documents have been filed with the State Comptroller for support, 2) that any deficits from the previous year be budgeted, 3) a provision for uncollected taxes be budgeted by a set formula, 4) that the amount of fund balance that can be appropriated for use can be no more than the amount certified by the last completed independent audit and 5) that a separate fund be established to service the City's debt obligations and that a fixed percentage of the real property tax levy and a fixed portion of sales tax monies be deposited directly to ensure sufficient funds be available to satisfy bondholders. The City Charter and the Act require the budget to be presented to the City Council by April 15th. The City Council may alter, reject, add, increase or decrease any item in the proposed budget. The City Council will hold public hearings in May, and by Charter, adopts the budget no later than June 1st. The operating budget requires a simple majority (4 votes) for approval while the capital budget requires a super majority (5 votes). The Fiscal Agent, which is the State Comptroller, reviews the operating and capital budgets after adoption by the City Council, and certifies that the budget is in compliance with the Act.

The City prepared its 2012-13 operating and capital budgets in accordance with the guidelines prescribed by the Act and the Fiscal Agent certified the City's budget. The City does not foresee any issues with its ability to comply with the guidelines in the implementation of its near and long term initiatives.

AWARDS AND ACKNOWLEDGMENTS

GFOA - Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

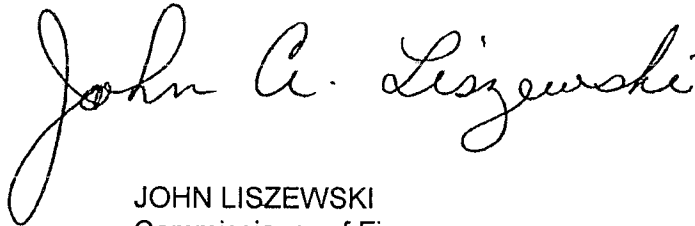
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

I would like to thank all the accounting and financial personnel who have assisted in the preparation of this report. In particular, I want to thank Patrick Luzzi, Chief Accountant and the entire Finance Department for their efforts, as well as our independent auditor who assisted in its preparation. I would also like to thank the Mayor and the City Council for their interest and support in the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink that reads "John A. Liszewski". The signature is written in a cursive style with a large, looping initial "J".

JOHN LISZEWSKI
Commissioner of Finance
and Management Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Yonkers
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

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**FINANCIAL
SECTION**

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Independent Auditors' Report

**The Honorable Mayor and City Council
of the City of Yonkers, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Yonkers, New York ("City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City as of June 30, 2013 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General, Education and Education Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2014 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

April 9, 2014

City of Yonkers, New York

Management's Discussion and Analysis (MD&A) June 30, 2013

Introduction

As management of the City of Yonkers, New York ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the City's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2013 are as follows:

- On the government-wide financial statements, the liabilities of the City exceeded its assets at the close of the most recent fiscal year by \$589.2 million (net position). Of this amount, the unrestricted portion is a deficit of \$771.7 million. This deficit results primarily from the accrual of certain operating liabilities pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 34. The liabilities will be satisfied in future years, including borrowings for judgments and claims, retirement system obligations, compensated absences and the accrual of the City's annual other post employment benefit cost ("OPEB") in accordance with the provisions of GASB Statement No. 45.
- The City's total net position decreased by \$119.7 million, from a deficit of \$469.5 million to a deficit of \$589.2 million, from the fiscal year ended June 30, 2012. The total decrease in net position resulted primarily from the increase of \$110.3 million in the accrual for the City's other post employment benefit obligation in accordance with the requirements of GASB Statement No. 45.
- As of the close of the current fiscal year, the City's governmental fund financial statements reported a combined ending fund balance of \$175.7 million, an increase of \$17.5 million in comparison with the prior year. However, exclusive of the Capital Projects funds, the combined ending fund balances decreased by \$5.0 million to \$81.4 million. Of this latter amount, \$54.9 million represents the total fund balance of the General Fund, of which \$31.6 million is unassigned and available for spending at the City's discretion, while \$14.6 million represents the total fund balance of the Education Fund. However, since the Board of Education utilized \$22 million to balance its spending plan for the 2013/14 fiscal year and rolled over \$8.4 million of purchases on order (encumbrances), the Education Fund actually reflects a deficit fund balance of \$15.8 million. This was the result of a miscalculation of anticipated state aid by the Board of Education.
- At the end of the current fiscal year, unassigned fund balance for the General Fund of \$31.6 million represented 5% of total General Fund expenditures and other financing uses. The assigned fund balance for the Education Fund of \$14.6 million represented 3% of the total Education Fund expenditures and other financing uses.

- The City retired \$91.3 million of general obligation bonded debt (including \$48.6 million in refinanced obligations). The City issued \$106 million of new long-term debt (including \$49.2 million in refunding bonds) and \$7.06 million of bond anticipation note indebtedness during the fiscal year ended June 30, 2013. The refinancing resulted in a net present value savings on future interest payments of \$3.5 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers of the City's financial statements with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information reflecting how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave, early retirement incentives and OPEB).

The government-wide financial statements present the functions of the City that are primarily supported by taxes and intergovernmental revenues. The governmental activities of the City include general government support, education, public safety, transportation, culture and recreation, home and community services and interest.

The government-wide financial statements include not only the City itself (the *primary government*) but also the Yonkers Downtown Waterfront Development Corporation, the Yonkers Economic Development Corporation, the New Main Street Development Corporation and the Yonkers Pier Development, Incorporated for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on the pages immediately following this section as the first three pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City, like other state and local

governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the City are divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Education Fund, Education Special Aid Fund, Community Development Fund, City Capital Projects Fund and Education Capital Projects Fund, which are considered to be major funds. Data for the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriation budget for its General Fund, Education Fund and Education Special Aid Fund, which are major funds. A budgetary comparison statement has been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets. The City also adopts an annual appropriation budget for the Sewer, Water, Public Library, School Lunch, City Grants and Debt Service funds, which are non-major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The City maintains only one type of fiduciary fund that is known as an agency fund. Resources are held in this fund by the City purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information for the City's OPEB obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, liabilities exceeded assets by \$589.2 million at the close of the current fiscal year.

Net Position

	June 30,	
	2013	2012
Current Assets	\$ 413,937,269	\$ 381,519,145
Capital Assets, net	581,652,909	566,745,768
Total Assets	995,590,178	948,264,913
Current Liabilities	222,755,550	204,104,989
Long-term Liabilities	1,362,047,653	1,213,685,047
Total Liabilities	1,584,803,203	1,417,790,036
Net Position		
Net investment in capital assets	169,689,871	152,139,303
Restricted	12,781,517	10,390,761
Unrestricted	(771,684,413)	(632,055,187)
Total Net Position	\$ (589,213,025)	\$ (469,525,123)

By far, the largest component of the City's net position is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens and consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions are \$12.8 million. The remaining balance of net position, unrestricted net position, is a deficit of \$771.7 million. This deficit must be financed from future operations. This deficit does not mean that the City does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including retirement incentives (\$55 million), claims payable (\$65.5 million), state loans payable (\$3.4 million), compensated absences (\$47.2 million) and OPEB obligations (\$631.2 million) that are greater than currently available resources. Payments for these liabilities will be budgeted in the years that the actual payments will be made.

Changes in Net Position

	June 30,	
	2013	2012
REVENUES		
Program Revenues		
Charges for Services	\$ 64,530,586	\$ 59,440,616
Operating Grants and Contributions	98,127,740	90,099,855
Capital Grants and Contributions	1,088,882	308,144
General Revenues		
Real Property Taxes	300,323,045	292,352,321
Other Tax items	75,579,609	72,026,152
Non-Property Taxes	120,189,039	115,619,511
Forfeitures	6,750	1,600
Unrestricted Use of Money and Property	224,682	256,191
Sale of Property and Compensation for Loss	258,202	307,875
Unrestricted State Aid	328,309,196	342,328,128
Unrestricted Federal Aid	20,804	75,522
Miscellaneous	8,401,443	8,407,534
 Total Revenues	 <u>997,059,978</u>	 <u>981,223,449</u>
 PROGRAM EXPENSES		
General Government Support	96,698,090	109,233,631
Education	604,723,981	574,517,266
Public Safety	277,342,296	245,285,519
Transportation	2,554,540	1,644,099
Culture and Recreation	28,174,200	24,923,829
Home and Community Services	86,846,243	92,983,418
Interest	20,408,530	21,507,938
 Total Expenses	 <u>1,116,747,880</u>	 <u>1,070,095,700</u>
 Change in Net Position	 <u>(119,687,902)</u>	 <u>(88,872,251)</u>
 NET POSITION		
Beginning, As Reported	(469,525,123)	(390,864,707)
Prior Period Adjustment	-	10,211,835
Beginning, As Restated	<u>(469,525,123)</u>	<u>(380,652,872)</u>
Ending	<u>\$ (589,213,025)</u>	<u>\$ (469,525,123)</u>

Governmental activities decreased the City's net position by \$119.7 million. The City's total governmental activities revenues were \$997 million for the year ended June 30, 2013, an increase of \$15.8 million, or 1.61% over the prior year. Real property taxes comprised 30%, while unrestricted State aid provided over 33% of these total revenues. Governmental activities expenses of the City for the year ended June 30, 2013 totaled \$1.1 billion, an increase of \$46.6 million, or 4.3%, over the prior year. Education expenses accounted for the largest portion (\$604.7 million or 54%), followed by public safety spending at \$277.3 million, or 25% of total expenses.

The major changes are as follows:

Revenues:

- Revenues from property taxes increased by \$7.9 million, or 2.65%, because of an increase in the property tax rate.
- Revenues from other tax items increased by \$3.5 million. This was primarily attributable to increases in interest and penalties on real property taxes and water billings and real estate transfer taxes, partially offset by a reduction in payments in lieu of taxes.
- Revenues from non-property tax items increased by \$4.5 million. The revenues derived from the income tax surcharge increased by \$3.8 million. There was also a \$2.7 million increase in sales tax collections, due to positive economic trends. However, these were partially offset by the decline in raceway impact fees of \$2.8 million from the Empire City Casino, due to a one-time payment made in the prior fiscal year.
- Revenues from unrestricted State aid decreased by a net of \$14 million, primarily related to a reduction in the spin up aid available to the Yonkers Public Schools.

Expenses:

- General government support expenses decreased by \$12.5 million, primarily due to a significant decrease in assessment review and tax certiorari settlements during the current fiscal year.
- Education expenses increased by \$30.2 million, or 5.25%, from the prior year. This was primarily due to a \$3.5 million increase in general support expenditures, of which \$2.4 million was for related central services. Total instructional costs also increased by \$18.2 million, of which \$12.3 million related to salary increases. Transportation costs increased by \$1.1 million while employee benefits grew by \$1.5 million.
- Public safety expenses increased by \$32 million, primarily due to the updated allocation of OPEB obligations.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the City's fiscal period ending June 30, 2011. GASB Statement No.

54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that either are inherently nonspendable in the current period because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$175.7 million, an increase of \$17.5 million in comparison with the prior year. Exclusive of the Capital Projects Funds, the combined fund balances totaled \$81.4 million. Of this amount, \$7.3 million is in nonspendable form (\$2.7 million related to cash advances not anticipated to be repaid within one year, \$4.5 million related to long-term receivables, \$.12 million for inventories and \$.01 million for notes receivable) while \$2.5 million is restricted for various purposes (\$1.5 million for debt service and \$1.0 for special purposes). The assigned fund balance of \$40 million is being utilized to 1) fund purchases (encumbrances) aggregating \$10.7 million for City and Education purposes, 2) balance the subsequent year's budget (\$17 million for the General Fund and \$22.0 million for the Education Fund) and 3) set aside funds for various specific purposes (\$1.2 million for community development, \$.31 million for public library purposes, \$3.9 million for water purposes and \$.60 million for sewer purposes). The assigned fund balance further reflects a deficit of \$15.8 million in the Education Fund, reflecting

an overestimation of state aid by the Yonkers Public Schools. The remainder of the total fund balance of \$31.4 million represents the unassigned fund balance in the General Fund of \$31.6 million, which is available for use at the City's discretion, offset by deficit balances in the non-major governmental funds (\$.17 million).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$54.9 million. Of this amount, \$4.46 million is in nonspendable form and includes \$2.73 million advanced to the Community Development Fund not expected to be repaid in the subsequent year, as well as \$1.72 million for other long-term receivables. In addition, \$17 million is assigned for use in the fiscal year 2013-2014 budget, while \$1.8 million is assigned to satisfy purchases on order at the end of the fiscal year. The remaining balance of \$31.6 million is available for use at the City's discretion. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 4.9% of total General Fund expenditures and other financing uses (up from 3.3% in the prior year), while total fund balance represents 8.53% of that same amount (up from 5.6% in the prior year).

When the fiscal 2012-13 General Fund budget was adopted, it anticipated that fund balance would diminish by \$10.8 million. However, actual results yielded an increase in total fund balance of \$20 million. The increase in fund balance was primarily derived from better than expected revenues associated with income taxes, sales taxes, real estate transfer taxes and payments in lieu of taxes. The City also expended less than anticipated, such as opting to bond certain costs associated with the Larkin Parking Garage (\$2.5 million) that had been anticipated to come from operating funds.

The most significant special revenue fund of the City is the Education Fund. During fiscal year 2013, the City contributed \$224.7 million to the Education Fund. The major revenue source within the Education Fund, besides the City's contribution, was State aid, which amounted to \$233.9 million. The Education Fund expenditures and transfers out totaled \$494.3 million. At the end of the current fiscal year, the total fund balance of the Education Fund was \$14.6 million. The fund balance in the Education Fund was decreased by \$27.9 million during the current fiscal year, primarily because of the School District's error in including a State aid estimate of "spin up" aid that was not contained in the State budget. Further information for the Yonkers Public Schools can be obtained in the separately issued audited financial statements.

The City and Education Capital Projects funds reflected an increase in fund balance of \$22.5 million from the prior year, bringing the aggregate fund balances up to \$94.3 million. Total capital outlay expenditures were \$38.2 million, spent on school construction projects, various infrastructure improvements and equipment to support the City's various functions. This level of capital outlay is less than in the prior fiscal year. The increase in fund balance was caused mainly by the issuance of long-term debt in the current fiscal year that had yet to be spent by June 30, 2013.

General Fund Budgetary Highlights

The total budget for the General Fund increased by \$7.1 million for the fiscal year ended June 30, 2013 reflecting the issuance of a bond anticipation note to finance tax certiorari obligations. The Special Local Finance and Budget Act of 1976 for the City prohibits any amendments to the General Fund budget (other than budget transfers), except in the case of authorized debt issuances or subsequent changes in State aid allocated to the City. Actual revenues and other financing sources exceeded the final budgetary expectations by \$23.5 million. Actual expenditures and other financing uses were \$7.3 million less than the final budget.

Overall, General Fund expenditures were \$365.7 million (excluding other financing uses), which was \$7.46 million less than the final budget. There were budgetary savings, as well as several overages, noted in various areas:

- In the general government support area, overall savings of \$6.1 million were achieved. Savings compared to budget of \$2.4 million were realized in the reserve for uncollected taxes expenditure, as collections of delinquent property taxes improved, while \$2.5 million was saved from opting to bond the Larkin Parking Garage project rather than funding it as planned in the operating budget.
- Public safety expenditures exceeded budgetary authorization by \$4.2 million, as overtime costs due to vacancies exceeded budgetary expectations.
- Transportation expenditures came in \$.56 million less than budgetary expectations, due to a mild winter that resulted in fewer purchases of salt and sand.
- Home and community services expenditures came in \$1.4 million less than budgetary expectations, with savings achieved in the area of refuse disposal.
- Employee benefits came in \$2.1 million less than budgetary expectations. Most of these savings were realized in reduced cost for NYS retirement, life, health and dental insurance and unemployment benefits.
- Interest expenditures on short-term borrowings generated savings of \$1.16 million due to payments and refunding of debt during the fiscal year.

The General Fund revenues were \$648 million (excluding other financing sources), which was \$23.5 million more than the final budget due to the following reasons:

- Other tax items were better than anticipated due to increases in interest and penalties on real property taxes by \$2.89 million, payments in lieu of taxes by \$3.56 million and real estate transfer taxes by \$2.15 million.
- Income tax revenues were higher than budgetary expectations by \$3.5 million, due to the steady improvement in the local economy.
- Sales and use tax revenue exceeded budgetary expectations by \$1.8 million as a result of the overall positive economic trends.
- Revenues from parking violations fell short of budgetary expectations by \$2.3 million due to the department having two less full time ticket-writing agents.
- Revenues from development income exceeded budgetary expectations by \$711,783 due to the continued interest in economic development initiatives throughout the City.
- Cable franchise fees exceeded budgetary expectations by \$613,921, due to the reduction in overall utility costs.

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2013 amounted to \$581.6 million (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure. The total net increase in the City's investment in capital assets for the current fiscal year was \$14.9 million.

Major capital asset events during the current fiscal year included the following:

- Animal Shelter Reconstruction
- JFK Park Bulkheads
- Saw Mill River Daylighting
- ERP System Phase II and IT Hardware and Software
- Maintenance Equipment for DPW

The change in capital assets, net of accumulated depreciation, is reflected below.

	June 30,	
	2013	2012
Land	\$ 24,517,166	\$ 24,517,166
Buildings and Improvements	318,843,198	305,259,344
Machinery and Equipment	27,564,878	25,070,524
Infrastructure	164,369,798	164,734,473
Construction-in-progress	46,357,869	47,164,261
Total	<u>\$ 581,652,909</u>	<u>\$ 566,745,768</u>

More detailed information about the City's capital assets is presented in Note 3,G in the notes to financial statements.

Long-term Debt

The City had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2013	2012
Bonds Payable	\$ 534,625,832	\$ 519,774,591
Bonds Anticipation Notes Payable	7,065,000	-
Notes Payable	17,690,456	19,137,620
Loan Payable	341,770	341,770
State Loan Payable	3,400,000	3,600,000
Compensated Absences	47,175,819	41,206,396
Retirement Incentives and Other Pension Obligations	55,022,038	43,903,161
Claims Payable	65,543,922	64,804,664
Other Post Employment Benefit Obligation	<u>631,182,816</u>	<u>520,916,845</u>
Total	<u>\$ 1,362,047,653</u>	<u>\$ 1,213,685,047</u>

During the 2012-2013 fiscal year, the City issued a long-term bond anticipation note for tax certiorari obligations, retired \$91.3 million in long-term bonded indebtedness and issued \$106.7 million in new serial bonds.

The bond rating agencies, Moody's and Standard & Poor's have assigned the following ratings for currently outstanding bond issuances of the City. Moody's assigned a 'Baa1' underlying rating to the General Obligation (GO) Bonds Series 2012 A,B,C and D and an enhanced rating of 'A2' to Series B and D school bonds. Standard & Poor's assigned its 'BBB+' long-term rating to the series 2012A GO refunding bonds and Series 2012C and prior GO serial bonds. In addition, S&P also assigned its 'A' long-term rating to the City's series 2012B school refunding

bonds, Series 2012D and other existing bonds. To save on the interest costs associated with these ratings levels, the City purchases bond insurance.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than nine percent of the average full value of taxable real property in the City for the most recent five years. Certain indebtedness is excluded in determining the City's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the City's authority to issue debt subject to the limit. At June 30, 2013 the City of Yonkers had used \$439,020,697 or 27.54% of the constitutional debt limit, leaving \$1,155,081,997 remaining to be used.

More detailed information about the City's long-term liabilities is presented in Note 3,L in the notes to financial statements.

Economic Factors and Next Year's Budget

According to the United States Bureau of Labor Statistics, the unemployment rate for the City in December of 2013 was 6.4%. This is comparable with the rate of 6.6% for New York State and the 6.7% national unemployment rate. The 1.8% increase in the Consumer Price Index for the area (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) from 2012 to 2013 was on par with the 1.8% increase recorded for the U.S. city average for the same period. City management was also aware that in 2013-14 there would most likely be increases in insurance and employee benefits (particularly medical insurance and retirement contributions) and contractual labor settlements. All of these factors were taken into consideration in developing the fiscal 2013-14 budget.

The General Fund budget for 2014 is \$661.3 million, as compared to the 2013 budget of \$641.3 million, an increase of \$20 million, or 3.1%. The City elected to use \$17 million of the fund balance at June 30, 2013 to balance the fiscal year 2014 budget. The City's combined tax rate for City and Board of Education operations increased from \$677.02 per thousand of assessed value to \$688.93, or a 1.76% increase.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Commissioner of Finance and Management Services, City of Yonkers, City Hall, 40 South Broadway, Yonkers, New York 10701 or visit the City's web page at www.yonkersny.gov.

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**BASIC
FINANCIAL STATEMENTS**

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City of Yonkers, New York

Statement of Net Position

June 30, 2013

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and equivalents	\$ 82,487,382	\$ 571,668
Investments	127,880,127	10,017
Restricted cash	342,824	-
Receivables		
Property taxes, net	19,328,291	-
Income taxes	886,850	-
Accounts, net	39,291,131	1,785,087
State and Federal aid	125,976,870	-
Notes	10,600	13,517,054
Due from other governments	-	2,771,558
Loans	15,090,989	-
Loans - Component unit	1,839,408	-
Inventories	129,633	-
Prepaid expenses	-	26,010
Deferred charges	673,164	-
Capital assets		
Not being depreciated	70,875,035	3,430,043
Being depreciated, net	510,777,874	9,077,736
Total Assets	995,590,178	31,189,173
LIABILITIES		
Accounts payable	87,836,978	2,896,585
Accrued liabilities	28,033,274	-
County taxes payable	33,234,716	-
Retainages payable	1,829,482	-
Employee payroll deductions	585,543	-
Due to other governments	15,790,679	-
Overpayments	252,018	-
Unearned revenues	7,929,135	-
Accrued interest payable	7,642,438	199,491
Due to retirement systems	39,621,287	-
Line of credit payable to bank	-	1,314,810
Non-current liabilities		
Due within one year	87,174,769	391,038
Due in more than one year	1,274,872,884	13,154,538
Total Liabilities	1,584,803,203	17,956,462
NET POSITION		
Net investment in capital assets	169,689,871	93,751
Restricted		
Capital projects	1,120,118	-
Special purposes	1,029,933	-
Debt service	1,546,610	-
Community development projects	8,874,232	-
Sewer	210,624	-
Unrestricted	(771,684,413)	13,138,960
Total Net Position	\$ (589,213,025)	\$ 13,232,711

The notes to financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Activities
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 96,698,090	\$ 16,242,532	\$ 12,982	\$ -
Education	604,723,981	2,918,507	67,688,749	-
Public safety	277,342,296	8,358,062	6,598,068	-
Transportation	2,554,540	475,298	943,795	-
Culture and recreation	28,174,200	2,690,904	430,502	75,530
Home and community services	86,846,243	33,845,283	21,927,751	1,000,000
Interest	20,408,530	-	525,893	13,352
Total Governmental Activities	<u>\$ 1,116,747,880</u>	<u>\$ 64,530,586</u>	<u>\$ 98,127,740</u>	<u>\$ 1,088,882</u>
Component units	<u>\$ 2,783,363</u>	<u>\$ 198,332</u>	<u>\$ 5,128,198</u>	<u>\$ -</u>
General revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Payments in lieu of taxes				
Real estate transfer taxes				
School tax relief reimbursement				
Supplemental real estate taxes				
Water Fund				
Non-property taxes				
Income taxes				
Sales and use taxes				
Off-track betting surcharge				
Raceway admissions taxes				
Raceway impact fees				
Utilities gross receipts taxes				
Cable television franchise fees				
Forfeitures				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Unrestricted Federal aid				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

The notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Component Units
\$ (80,442,576)	\$ -
(534,116,725)	-
(262,386,166)	-
(1,135,447)	-
(24,977,264)	-
(30,073,209)	-
(19,869,285)	-
(953,000,672)	-
-	2,543,167
300,323,045	-
6,106,449	-
16,732,105	-
8,214,053	-
37,996,846	-
601,464	-
5,928,692	-
39,894,575	-
68,321,466	-
253,881	-
31,339	-
1,728,790	-
7,202,223	-
2,756,765	-
6,750	-
224,682	232,130
258,202	-
328,309,196	-
20,804	-
8,401,443	-
833,312,770	232,130
(119,687,902)	2,775,297
(469,525,123)	10,457,414
\$ (589,213,025)	\$ 13,232,711

City of Yonkers, New York

Balance Sheet
Governmental Funds
June 30, 2013

	General	Education	Education Special Aid	Community Development
ASSETS				
Cash and equivalents	\$ 55,979,761	\$ -	\$ -	\$ 4,301,717
Investments	21,714,264	-	-	-
Restricted cash	-	-	-	342,824
Receivables				
Property taxes, net	19,328,291	-	-	-
Income taxes	886,850	-	-	-
Accounts, net	8,767,100	4,720,997	-	211,612
State and Federal aid	23,640,743	69,440,863	22,282,740	2,148,984
Due from other funds	45,493,159	16,296,535	-	21,885,118
Advances to other funds	2,730,129	-	-	-
Notes	10,600	-	-	-
Loans	517,364	-	-	14,573,625
Loans - Component unit	-	-	-	1,839,408
	101,374,236	90,458,395	22,282,740	40,658,747
Inventories	-	-	-	-
Total Assets	\$ 179,068,261	\$ 90,458,395	\$ 22,282,740	\$ 45,303,288
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 53,168,329	\$ 20,667,190	\$ 3,124,556	\$ 532,994
Accrued liabilities	8,535,510	16,490,940	104,807	36,597
County taxes payable	33,234,716	-	-	-
Retainages payable	-	-	-	-
Employee payroll deductions	585,543	-	-	-
Due to other governments	-	3,986,207	1,192,472	10,612,000
Due to other funds	-	2,194,176	17,860,905	22,176,437
Advances from other funds	-	-	-	2,730,129
Unearned revenues	4,385,688	1,547,827	-	5,258,971
Unearned tax revenues	16,359,627	-	-	-
Due to retirement systems	7,920,126	30,698,028	-	-
Overpayments	-	252,018	-	-
Total Liabilities	124,189,539	75,836,386	22,282,740	41,347,128
Fund balances (deficits)				
Nonspendable	4,464,686	-	-	2,730,129
Restricted	-	-	-	-
Assigned	18,816,058	14,622,009	-	1,226,031
Unassigned	31,597,978	-	-	-
Total Fund Balances	54,878,722	14,622,009	-	3,956,160
Total Liabilities and Fund Balances	\$ 179,068,261	\$ 90,458,395	\$ 22,282,740	\$ 45,303,288

The notes to financial statements are an integral part of this statement.

City Capital Projects	Education Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 22,205,904	\$ 82,487,382
105,802,148	-	363,715	127,880,127
-	-	-	342,824
-	-	-	19,328,291
-	-	-	886,850
670,372	-	24,921,050	39,291,131
-	48,759	8,397,228	125,959,317
-	47,198,918	2,951,386	133,825,116
-	-	-	2,730,129
-	-	-	10,600
-	-	-	15,090,989
-	-	-	1,839,408
670,372	47,247,677	36,269,664	338,961,831
-	-	129,633	129,633
<u>\$ 106,472,520</u>	<u>\$ 47,247,677</u>	<u>\$ 58,968,916</u>	<u>\$ 549,801,797</u>
\$ 2,169,698	\$ 2,126,053	\$ 6,048,158	\$ 87,836,978
345,537	406,346	2,113,537	28,033,274
-	-	-	33,234,716
1,298,133	531,349	-	1,829,482
-	-	-	585,543
-	-	-	15,790,679
51,755,600	422,865	39,415,133	133,825,116
-	-	-	2,730,129
335,607	-	3,366,752	14,894,845
-	-	-	16,359,627
-	-	126,005	38,744,159
-	-	-	252,018
55,904,575	3,486,613	51,069,585	374,116,566
-	-	129,633	7,324,448
50,567,945	43,761,064	2,576,543	96,905,552
-	-	5,362,964	40,027,062
-	-	(169,809)	31,428,169
50,567,945	43,761,064	7,899,331	175,685,231
<u>\$ 106,472,520</u>	<u>\$ 47,247,677</u>	<u>\$ 58,968,916</u>	<u>\$ 549,801,797</u>

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City of Yonkers, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
June 30, 2013

Fund Balance - Total Governmental Funds	\$ 175,685,231
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	581,652,909
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charges	673,164
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Real property taxes	16,359,627
Sale of real property	517,364
State aid	1,547,827
Departmental income	4,918,072
	23,342,890
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable - Judgments and claims	(46,519,954)
Bonds payable - Capital construction	(488,105,878)
Bond anticipation notes payable	(7,065,000)
Notes payable	(17,690,456)
Loan payable	(341,770)
State loan payable	(3,400,000)
Compensated absences	(47,175,819)
Retirement incentives and other pension obligations	(55,022,038)
Claims payable	(65,543,922)
Other post employment benefit obligations payable	(631,182,816)
Due to retirement systems	(877,128)
Accrued interest payable	(7,642,438)
	(1,370,567,219)
Net Position of Governmental Activities	\$ (589,213,025)

The notes to financial statements are an integral part of this statement.

City of Yonkers, New York

 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2013

	General	Education	Education Special Aid	Community Development
REVENUES				
Real property taxes	\$ 305,492,125	\$ -	\$ -	\$ -
Other tax items	69,650,917	-	-	-
Non-property taxes	120,189,039	-	-	-
Departmental income	27,305,129	-	-	917,175
Charges for services	-	493,951	-	-
Use of money and property	672,850	434,821	-	23,681
Forfeitures	-	6,750	-	-
Sale of property and compensation for loss	258,202	-	-	216,550
Interfund revenues	-	802,375	-	-
State aid	115,955,121	233,929,722	12,052,633	-
Federal aid	5,884,533	281,903	28,066,110	4,362,249
Food sales	-	-	-	-
Miscellaneous	2,682,667	5,736,003	286,332	-
Total Revenues	648,090,583	241,685,525	40,405,075	5,519,655
EXPENDITURES				
Current				
General government support	78,047,611	-	-	-
Education	-	353,042,451	39,717,687	-
Public safety	138,874,949	-	-	-
Transportation	1,005,669	-	-	-
Culture and recreation	7,398,307	-	-	-
Home and community services	24,222,361	-	-	4,873,277
Employee benefits	115,575,282	119,663,633	1,351,550	-
Cost of food sales	-	-	-	-
Debt service				
Principal	-	987,331	-	-
Interest	632,887	664,213	-	-
Refunding bond issuance costs	-	-	-	-
Capital Outlay				
-	-	-	-	-
Total Expenditures	365,757,066	474,357,628	41,069,237	4,873,277
Excess (Deficiency) of Revenues Over Expenditures	282,333,517	(232,672,103)	(664,162)	646,378
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Bond anticipation notes issued	7,065,000	-	-	-
Transfers in	7,895,324	224,749,240	664,162	-
Transfers out	(277,230,428)	(19,980,891)	-	-
Total Other Financing Sources (Uses)	(262,270,104)	204,768,349	664,162	-
Net Change in Fund Balances	20,063,413	(27,903,754)	-	646,378
FUND BALANCES				
Beginning of Year	34,815,309	42,525,763	-	3,309,782
End of Year	\$ 54,878,722	\$ 14,622,009	\$ -	\$ 3,956,160

The notes to financial statements are an integral part of this statement.

City Capital Projects	Education Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 305,492,125
-	-	5,928,692	75,579,609
-	-	-	120,189,039
-	-	31,328,203	59,550,507
-	-	793,421	1,287,372
-	-	13,352	1,144,704
-	-	-	6,750
-	-	-	474,752
-	-	-	802,375
-	-	8,908,854	370,846,330
-	-	16,367,272	54,962,067
-	-	1,989,735	1,989,735
1,075,530	-	339,330	10,119,862
1,075,530	-	65,668,859	1,002,445,227
-	-	-	78,047,611
-	-	-	392,760,138
-	-	5,969,477	144,844,426
-	-	943,795	1,949,464
-	-	7,917,323	15,315,630
-	-	36,558,036	65,653,674
-	-	1,884,166	238,474,631
-	-	7,088,976	7,088,976
-	-	43,957,519	44,944,850
-	-	23,078,326	24,375,426
-	-	351,624	351,624
20,996,378	17,295,776	-	38,292,154
20,996,378	17,295,776	127,749,242	1,052,098,604
(19,920,848)	(17,295,776)	(62,080,383)	(49,653,377)
-	-	49,150,000	49,150,000
-	-	(51,868,274)	(51,868,274)
30,330,000	26,590,000	-	56,920,000
1,560,599	1,257,502	3,069,898	5,887,999
-	-	-	7,065,000
-	-	80,012,565	313,321,291
-	-	(16,109,972)	(313,321,291)
31,890,599	27,847,502	64,254,217	67,154,725
11,969,751	10,551,726	2,173,834	17,501,348
38,598,194	33,209,338	5,725,497	158,183,883
\$ 50,567,945	\$ 43,761,064	\$ 7,899,331	\$ 175,685,231

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City of Yonkers, New York

Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2013

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 17,501,348
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay expenditures	38,409,299
Depreciation expense	(23,502,158)
	<u>14,907,141</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	(5,169,080)
State aid	(9,321)
Departmental income	603,433
Miscellaneous income	(7,906)
	<u>(4,582,874)</u>

Bond, note and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.

Principal paid on bonds	42,740,000
Principal paid on notes	1,447,164
Principal paid on State loan	200,000
Bonds issued	(56,920,000)
Refunding bonds issued	(49,150,000)
Bond anticipation notes issued	(7,065,000)
Issuance premium	(5,887,999)
Payment to refunded bond escrow agent	51,868,274
Amortization of issuance costs, loss on refunding bonds and issuance premium	2,235,620
	<u>(20,531,941)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(5,969,423)
Retirement incentives and other pension obligations	(11,118,877)
Claims payable	(739,258)
Other post employment benefits payable	(110,265,971)
Accrued interest payable	1,150,600
Due to retirement systems	(38,647)
	<u>(126,981,576)</u>

Change in Net Position of Governmental Activities	<u>\$ (119,687,902)</u>
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The notes to financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General, Education and Education Special Aid Funds Year Ended June 30, 2013

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 301,916,360	\$ 301,916,360	\$ 305,492,125	\$ 3,575,765
Other tax items	61,252,089	61,252,089	69,650,917	8,398,828
Non-property taxes	113,940,799	113,940,799	120,189,039	6,248,240
Departmental income	27,934,032	27,934,032	27,305,129	(628,903)
Charges for services	-	-	-	-
Use of money and property	847,339	847,339	672,850	(174,489)
Forfeitures	-	-	-	-
Sale of property and compensation for loss	423,960	423,960	258,202	(165,758)
Interfund revenues	-	-	-	-
State aid	114,431,663	114,431,663	115,955,121	1,523,458
Federal aid	1,559,499	1,559,499	5,884,533	4,325,034
Miscellaneous	2,245,639	2,245,639	2,682,667	437,028
Total Revenues	624,551,380	624,551,380	648,090,583	23,539,203
EXPENDITURES				
Current				
General government support	77,634,476	84,175,297	78,047,611	6,127,686
Education	-	-	-	-
Public safety	134,682,192	134,685,410	138,874,949	(4,189,539)
Transportation	1,565,148	1,565,148	1,005,669	559,479
Culture and recreation	7,595,396	7,670,397	7,398,307	272,090
Home and community services	25,184,740	25,630,698	24,222,361	1,408,337
Employee benefits	117,698,607	117,698,609	115,575,282	2,123,327
Debt service				
Principal	-	-	-	-
Interest	1,800,000	1,800,000	632,887	1,167,113
Total Expenditures	366,160,559	373,225,559	365,757,066	7,468,493
Excess (Deficiency) of Revenues Over Expenditures	258,390,821	251,325,821	282,333,517	31,007,696
OTHER FINANCING SOURCES (USES)				
Bond anticipation note issued	-	7,065,000	7,065,000	-
Transfers in	7,895,324	7,895,324	7,895,324	-
Transfers out	(277,111,724)	(277,111,724)	(277,230,428)	(118,704)
Total Other Financing Sources (Uses)	(269,216,400)	(262,151,400)	(262,270,104)	(118,704)
Net Change in Fund Balances	(10,825,579)	(10,825,579)	20,063,413	30,888,992
FUND BALANCES				
Beginning of Year	10,825,579	10,825,579	34,815,309	23,989,730
End of Year	\$ -	\$ -	\$ 54,878,722	\$ 54,878,722

Education Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
392,119	392,119	493,951	101,832
135,446	135,446	434,821	299,375
5,000	5,000	6,750	1,750
33,981	33,981	-	(33,981)
1,126,446	1,126,446	802,375	(324,071)
260,841,329	260,841,329	233,929,722	(26,911,607)
20,000	20,000	281,903	261,903
3,200,391	3,200,391	5,736,003	2,535,612
265,754,712	265,754,712	241,685,525	(24,069,187)
-	-	-	-
363,791,510	364,422,257	353,042,451	11,379,806
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
125,798,726	125,167,979	119,663,633	5,504,346
987,331	987,331	987,331	-
664,213	664,213	664,213	-
491,241,780	491,241,780	474,357,628	16,884,152
(225,487,068)	(225,487,068)	(232,672,103)	(7,185,035)
-	-	-	-
224,749,240	224,749,240	224,749,240	-
(19,818,175)	(19,818,175)	(19,980,891)	(162,716)
204,931,065	204,931,065	204,768,349	(162,716)
(20,556,003)	(20,556,003)	(27,903,754)	(7,347,751)
20,556,003	20,556,003	42,525,763	21,969,760
\$ -	\$ -	\$ 14,622,009	\$ 14,622,009

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City of Yonkers, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General, Education and Education Special Aid Funds
Year Ended June 30, 2013

	Education Special Aid Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ -	\$ -	\$ -	\$ -
Other tax items	-	-	-	-
Non-property taxes	-	-	-	-
Departmental income	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	-	-	-
State aid	14,273,769	14,559,061	12,052,633	(2,506,428)
Federal aid	35,951,988	39,752,062	28,066,110	(11,685,952)
Miscellaneous	433,747	433,747	286,332	(147,415)
Total Revenues	50,659,504	54,744,870	40,405,075	(14,339,795)
EXPENDITURES				
Current				
General government support	-	-	-	-
Education	50,318,162	54,118,235	39,717,687	14,400,548
Public safety	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	-	-	-	-
Employee benefits	1,357,635	1,357,635	1,351,550	6,085
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	51,675,797	55,475,870	41,069,237	14,406,633
Excess (Deficiency) of Revenues Over Expenditures	(1,016,293)	(731,000)	(664,162)	66,838
OTHER FINANCING SOURCES (USES)				
Bond anticipation note issued	-	-	-	-
Transfers in	1,016,293	731,000	664,162	(66,838)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,016,293	731,000	664,162	(66,838)
Net Change in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

The notes to financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2013

	Agency Fund
ASSETS	
Cash and equivalents	\$ 23,168,802
Investments	126,049
Accounts receivable	<u>2,176,767</u>
 Total Assets	 <u><u>\$ 25,471,618</u></u>
 LIABILITIES	
Accounts payable	\$ 1,374,432
Employee payroll deductions	15,423,634
Deposits	8,400,759
Student activity funds	<u>272,793</u>
 Total Liabilities	 <u><u>\$ 25,471,618</u></u>

The notes to financial statements are an integral part of this statement.

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City of Yonkers, New York

Statement of Net Position

Component Units

June 30, 2013

	Yonkers Downtown Waterfront Development Corporation	Yonkers Economic Development Corporation	New Main Street Development Corporation	Yonkers Pier Development, Incorporated	Total
ASSETS					
Cash and equivalents	\$ 172,132	\$ 163,583	\$ -	\$ 235,953	\$ 571,668
Investments	10,017	-	-	-	10,017
Receivables					
Accounts, net	1,495,366	68,347	-	221,374	1,785,087
Notes	-	13,517,054	-	-	13,517,054
Due from other governments	-	-	2,771,558	-	2,771,558
Prepaid expenses	26,010	-	-	-	26,010
Capital assets					
Not being depreciated	658,485	-	2,771,558	-	3,430,043
Being depreciated, net	1,092,567	-	-	7,985,169	9,077,736
Total Assets	3,454,577	13,748,984	5,543,116	8,442,496	31,189,173
LIABILITIES					
Accounts payable	92,027	10,000	2,779,558	15,000	2,896,585
Accrued interest payable	146,326	53,165	-	-	199,491
Line of credit payable to bank	1,314,810	-	-	-	1,314,810
Non-current liabilities					
Due within one year	282,424	-	-	108,614	391,038
Due in more than one year	2,070,206	2,629,000	-	8,455,332	13,154,538
Total Liabilities	3,905,793	2,692,165	2,779,558	8,578,946	17,956,462
NET POSITION					
Net investment in capital assets	(601,578)	-	-	695,329	93,751
Unrestricted	150,362	11,056,819	2,763,558	(831,779)	13,138,960
Total Net Position	\$ (451,216)	\$ 11,056,819	\$ 2,763,558	\$ (136,450)	\$ 13,232,711

The notes to the financial statements are an integral part of this statement.

City of Yonkers, New York

Statement of Activities

Component Units

June 30, 2013

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Yonkers Downtown Waterfront Development Corporation	\$ 1,899,903	\$ -	\$ 2,339,405
Yonkers Economic Development Corporation	262,382	-	-
New Main Street Development Corporation	8,026	-	2,771,558
Yonkers Pier Development, Incorporated	613,052	198,332	17,235
Total	<u>\$ 2,783,363</u>	<u>\$ 198,332</u>	<u>\$ 5,128,198</u>

General Revenues

Unrestricted use of money and property

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position				
Yonkers Downtown Waterfront Development Corporation	Yonkers Economic Development Corporation	New Main Street Development Corporation	Yonkers Pier Development, Incorporated	Total
\$ 439,502	\$ -	\$ -	-	\$ 439,502
-	(262,382)	-	-	(262,382)
-	-	2,763,532	-	2,763,532
-	-	-	(397,485)	(397,485)
439,502	(262,382)	2,763,532	(397,485)	2,543,167
187	231,895	-	48	232,130
439,689	(30,487)	2,763,532	(397,437)	2,775,297
(890,905)	11,087,306	26	260,987	10,457,414
<u>\$ (451,216)</u>	<u>\$ 11,056,819</u>	<u>\$ 2,763,558</u>	<u>\$ (136,450)</u>	<u>\$ 13,232,711</u>

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Note 1 - Summary of Significant Accounting Policies

The City of Yonkers, New York ("City") was incorporated in 1872 and operates in accordance with its Charter, as revised, and the various applicable laws of the State of New York. Since 1976, the City is also governed by the provisions of the Special Local Finance and Budget Act of New York State for the City of Yonkers. The City functions under a Mayor-Council form of government. The City Council serves as the legislative body responsible for overall operation and the Mayor serves as the chief executive officer. The City provides the following services to its residents; public safety, transportation, culture and recreation, home and community services and general and administrative services. The Board of Education ("Board") of the City is responsible for providing education services to the residents of the City. The members of the Board are appointed by the Mayor. The Board is, pursuant to Section 2551 of the Education Law of the State of New York, a legally separate entity. Inasmuch as the Board has no taxing power, relies solely upon the City for appropriations, and, while it may be sued in its own name, recourse exists to the City and therefore the Board may not be defined as a separate legal entity for financial reporting purposes pursuant to the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 61. These provisions indicate that the Board is part of the primary government of the City.

The accounting policies of the City conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the City, b) organizations for which the City is financially accountable and c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the City's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component units are included in the City's reporting entity because of their operational or financial relationship with the City.

The Yonkers Downtown Waterfront Development Corporation ("YDWDC") is a not-for-profit corporation, established pursuant to Section 501(c)(3) of the Internal Revenue Code, to develop and/or rehabilitate properties in the City for the cultural and economic benefit of its citizens. The YDWDC has a December 31st fiscal year end. The Board of Directors consists of fifteen directors; six are Municipal Directors and nine are Business/Public Directors. The Business/Public Directors are appointed by the Mayor for three year terms. The Municipal Directors are: the Mayor, the Commissioner of Planning and Development, a designee of the City Council, a designee of the Yonkers members of the County Board of Legislators, a designee of the Westchester County Executive and a designee of the City's delegation to the New York State Legislature. Board members have complete responsibility for the management of the YDWDC and accountability for fiscal matters. Financial support in the form of grants, loans and property has been provided by the City through its Community Development funds. The loan portion is required to be repaid and consequently there is a potential financial burden to the City. Since the YDWDC does not provide services entirely or almost entirely to the City, the financial statements of the YDWDC have been reflected as a discretely presented component unit.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Yonkers Economic Development Corporation ("YEDC") is a not-for-profit local development corporation created under the provisions of Section 115 of the Internal Revenue Code for the purpose of assisting the Yonkers Industrial Development Agency ("Agency") with promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City by providing certain taxable and tax exempt financial assistance on occasions where incentives are no longer provided by the Agency or in instances where the Agency's ability to assist economic development projects has been significantly limited. The YEDC has a December 31st fiscal year end. Members of the Board of Directors of the YEDC are appointed by the Mayor. YEDC members have complete responsibility for management of the YEDC and accountability for fiscal matters. The City is not liable for YEDC bonds or notes. The governing board of the YEDC serves at the pleasure of the Mayor and, therefore, the City is able to impose its will on the YEDC. Since the YEDC does not provide services entirely or almost entirely to the City, the financial statements of the YEDC have been reflected as a discretely presented component unit.

The New Main Street Development Corporation ("NMSDC") was created in 2007 as a local development corporation by the City under the provisions of Section 115 of the Internal Revenue Code to promote and provide for additional and maximum employment opportunities, promote economic development, lessen the burden of government and act in the public interest. Specific focuses of the NMSDC are the redevelopment of distressed areas in downtown Yonkers and the day lighting of the Saw Mill River. The NMSDC has a December 31st fiscal year end. The NMSDC is governed by Article 18-A of the General Municipal Law of the State of New York. The NMSDC is exempt from Federal, State and local income taxes. The sole member of the NMSDC shall be the Deputy Mayor of the City, ex officio. The NMSDC is managed by a Board of Directors that serves at the pleasure of the sole member and therefore, the City is considered able to impose its will on the NMSDC. Since the NMSDC does not provide services entirely or almost entirely to the City, the financial statements of the NMSDC have been reflected as a discretely presented component unit.

The Yonkers Pier Development, Inc. ("YPDI") is a not-for-profit local development corporation created under the provisions of Section 115 of the Internal Revenue Code for the purpose of renovating and improving the pier located on the waterfront of the Hudson River. Included in the project is 8,000 square feet of building space, to be utilized as a commercial restaurant and concession. The YPDI has a December 31st fiscal year end. YPDI is governed by Article 18-A of the General Municipal Law of the State of New York. The YPDI is exempt from Federal, State and local income taxes. Members of the Board of Directors of the YPDI are appointed by the Mayor. YPDI members have complete responsibility for management of the YPDI and accountability for fiscal matters. The City is not liable for YPDI bonds or notes. The governing board of the YPDI serves at the pleasure of the Mayor and, therefore, the City is able to impose its will on the YPDI. Since the YPDI does not provide services entirely or almost entirely to the City, the financial statements of the YPDI have been reflected as a discretely presented component unit.

Complete financial statements of the individual component units can be obtained from their respective administrative offices at the addresses indicated below:

Yonkers Downtown Waterfront Development Corporation
City Hall - Room 414
Yonkers, New York 10705

Note 1 - Summary of Significant Accounting Policies (Continued)

Yonkers Economic Development Corporation
87 Nepperhan Avenue
Yonkers, New York 10701

New Main Street Development Corporation
87 Nepperhan Avenue
Yonkers, New York 10701

Yonkers Pier Development, Incorporated
87 Nepperhan Avenue
Yonkers, New York 10701

The following organizations are related to the City:

The Yonkers Industrial Development Agency is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the inhabitants of the City. Members of the Agency are appointed by the Mayor for a specified term. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The City is not liable for Agency bonds or notes.

The Yonkers Housing Authority is a public benefit corporation created by State legislation to promote the development of adequate housing for the citizens of the City. Members of the Authority are appointed by the Mayor for a specified term. Authority members have complete responsibility for management of the Authority and accountability for fiscal matters. The City is not liable for Authority bonds or notes.

The Yonkers Parking Authority is a public benefit corporation created to service and operate the City's parking facilities. Members of the Authority are appointed by the Mayor for a specified term. While the City does provide some accounting services, Authority members have complete responsibility for management of the Authority and accountability for fiscal matters. The City is not liable for Authority bonds or notes.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. The primary government is reported separately from the legally separate component units.

The Statement of Net Position presents the financial position of the City and its component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items

Note 1 - Summary of Significant Accounting Policies (Continued)

not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows or resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's major governmental funds.

General Fund – The General Fund constitutes the primary operating fund of the City and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the City are as follows:

Education Fund - The Education Fund is used to account for the operation of the Yonkers City School District in accordance with the Education Law of the State of New York. The primary revenue sources for this fund are real property taxes transferred from the General Fund and State aid.

Note 1 - Summary of Significant Accounting Policies (Continued)

Education Special Aid Fund - The Education Special Aid Fund is used to account for special projects or programs of the School District which are supported in whole or in part with Federal, State or local sources of funds.

Community Development Fund - The Community Development Fund is used to record the operations of the grant programs operated by the City's Community Development Agency. The primary revenue source for this fund is federal aid.

City Capital Projects Fund - The City Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets for City purposes.

Education Capital Projects Fund - The Education Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of major capital facilities and other capital assets for School District purposes.

The City also reports the following non-major governmental funds:

Special Revenue Funds:

Sewer Fund - The Sewer Fund was established pursuant to the General Municipal Law of the State of New York and is used to account for sewer operations financed by sewer rents.

Water Fund - The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public.

Public Library Fund - The Public Library Fund was established pursuant to the Education Law of the State of New York and is used to account for the operations of the City's library system.

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs operated by the School District.

City Grants Fund - The City Grants Fund is used to record the financial activity of certain Federal, State and local funded grant programs.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Note 1 - Summary of Significant Accounting Policies (Continued)

- b. Fiduciary Fund (Not Included in Government-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the City in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency fund is also used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, certain pension costs and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Component Units

The component units are presented on the basis of accounting that most accurately reflect their activities. The YDWDC, YEDC, NMSDC and YPDI are accounted for using the economic resources measurement focus and the accrual basis of accounting. The YDWDC, YEDC, NMSDC and YPDI apply all applicable Financial Accounting Standards Board ("FASB") guidance issued after November 30, 1989 in accounting and reporting for their operations.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The City's deposit and investment policies are governed by State statutes. The City has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The City is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the City's policy provides for no credit risk on its deposits or investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The City has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The City utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the City's name. The City's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2013.

Investments - All investments are stated at fair value, which is based on quoted market prices. The detail of these investments and their related risks are described in Note 3A.

The City was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Restricted Cash - Certain assets are classified as restricted because their use is limited. Restricted cash included in the Community Development Fund will serve as collateral to fund any shortfalls in debt service payments relating to a financial assistance agreement with the YEDC (component unit).

Note 1 - Summary of Significant Accounting Policies (Continued)

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on the date confirmed by the City Council. The taxes are payable in three installments. The first installment is due on the later of thirty days after confirmation by the City Council or July 6th. The second and third installments are due on October 6th and January 6th, respectively. The City is also responsible for the billing and collection of the City's share of the real property tax levy of Westchester County ("County"). County taxes are generally billed in the first ten days of March and are payable in one installment on April 6th. The City guarantees the full payment of the County warrant and assumes responsibility for uncollected taxes.

The City functions in both a fiduciary and guarantor relationship with the County with respect to the collection and payment of real property taxes levied by the County. The County Charter provides for the City to collect the taxes and remit them as collected to the County, except that the City must remit sixty percent of the amount levied by the County on May 25th and the balance of forty percent on October 15th. Thus, the City's fiduciary responsibility is from the date of the levy until October 15th, at which time the City must satisfy its obligation to the County regardless of the amounts collected.

The City's financial statements include an allowance for uncollectible taxes which was established based on collection experience.

Income Taxes Receivable - The City Council, with approval by the State of New York, has imposed an income tax surcharge on residents and a non-resident gross receipts tax. The State of New York acts as the intermediary collecting agent for the City and remits collections, less an administrative charge, to the City on a monthly basis.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the City. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Advances To/From Other Funds - Advances to/from other funds represent loans to other funds which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by restricted fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation or expenditures and are not expendable available financial resources.

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The City uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute

Note 1 - Summary of Significant Accounting Policies (Continued)

"available spendable resources" even though they are a component of current assets. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and year-end balances are not material.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in the government-wide financial statements. Prepaid expenses consist of various costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of certain bonds. These costs are being amortized over the term of the respective bond issue.

Capital Assets - Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the primary government and component units are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Primary Government:	
Buildings and Improvements	15-100
Machinery and Equipment	5-20
Infrastructure	20-50
Component Units:	
Buildings and Improvements	40
Leasehold Improvements	20

Note 1 - Summary of Significant Accounting Policies (Continued)

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported unearned revenues of \$16,359,627 for real property taxes and \$4,385,688 for accounts and loans receivable in the General Fund, \$1,547,827 for accounts receivable in the Education Fund, \$5,258,971 for loans receivable and Federal aid in excess of expenditures in the Community Development Fund, \$335,607 for State and local aid received in advance in the City Capital Projects Fund and \$3,366,752 for Federal and State aid in excess of expenditures in non-major governmental funds - City Grants Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of June 30, 2013, no amounts were required to be reported as deferred outflows/inflows of resources.

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation, sick and terminal leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current

Note 1 - Summary of Significant Accounting Policies (Continued)

and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position include, net investment in capital assets, restricted for capital projects, special purposes, debt service, community development projects and sewer purposes. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal or Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The City Council is the highest level of decision making authority for the City that can, by the adoption of ordinances submitted to them by the Mayor prior to the end of the fiscal year, commit fund balance. The Board of Education is the highest level of decision making authority for School District operations that can, by the adoption of resolutions prior to the end of the fiscal year, commit fund balance. These funds may only be used for the purpose specified unless the City or Board of Education removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the City Council and/or the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the City Council for amounts assigned for balancing the subsequent year's budget or the Commissioner of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does

Note 1 - Summary of Significant Accounting Policies (Continued)

not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, certain Special Revenue and Capital Projects funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 9, 2014.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

Certain elements of the City's budget process are prescribed by the Special Local Finance and Budget Act. This Act limits budgeted expenditures to amounts not less than those of the previous audited year and requires revenues to be estimated at not more than those of the previous audited year, unless justification documents have been filed with the Office of the State Comptroller as support.

The City generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) The various operating departments generally submit their requests for the ensuing year's appropriations in January.
- b) During January and February, these requests are reviewed by the Budget Department.
- c) The Mayor reviews the departmental requests during February and March.
- d) The Charter and the Special Local Finance and Budget Act require the budget to be presented to the City Council by April 15th.
- e) The budget is referred to the Council's Budget Committee for deliberations and hearings.
- f) The City Council sets dates for the public hearings which are generally held in May.
- g) After the public hearings, the City Council adopts the budget which, by Charter, may not be later than June 1st or thirty days after adoption of the New York State budget, whichever is later.
- h) The Fiscal Agent (State Comptroller), as defined by the Special Local Finance and Budget Act, reviews the budget to determine the justification documents required.
- i) After adoption, the Fiscal Agent certifies that the budget is in compliance with the Special Local Finance and Budget Act.
- j) Formal budgetary integration is employed during the year as a management control device for General, certain Special Revenue and Debt Service funds.
- k) Budgets for General, certain Special Revenue and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. Capital Projects and Community Development funds are budgeted on a project basis. The City Council does not adopt an annual budget for the Special Purpose Fund.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- l) The City Charter has established legislative legal control of the City budget at the function level of expenditures. All transfers between appropriation accounts, at the function level, except those within the Executive Department, require approval by the City Council. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Council. The legally adopted budget for the Board of Education is controlled at the fund level of expenditures. Transfers between appropriation accounts require approval by the Superintendent. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations require Board of Education and City Council approval.
- m) Appropriations in General, certain Special Revenue and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the City Council. The major amendment for the current year was as follows -

General Fund -

Tax certiorari obligations funded by issuance of bond anticipation notes	\$ <u>7,065,000</u>
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B. Property Tax Limitation

The City is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the City, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the tax levy for the 2012-2013 fiscal year was \$325,655,513, which exceeded the actual levy by \$62,780,420.

The Special Local Finance and Budget Act of the State of New York for the City of Yonkers requires the City to report its property tax revenues on a gross basis. Accordingly, uncollected taxes are recorded as an expenditure in the General Fund rather than as a reduction to property tax revenues.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a City in a particular year, beginning with the 2012-13 fiscal year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the City to increase its overall

Note 2 - Stewardship, Compliance and Accountability (Continued)

real property tax levy for City purposes over the tax levy of the prior year for City purposes by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for City purposes for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City, as well as real property taxes levied on behalf of the Board of Education. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the City Council, a local law to override such limit for such coming fiscal year.

C. Expenditures in Excess of Budget

The following categories of expenditure exceeded their budgetary provisions by the amounts indicated:

General Fund	
Fiscal Services	
Office of Licensing	\$ 18,414
Staff Administrative and Advisory	
Purchasing	14,627
Shared Services - General Services	135,656
Special Items	
Tax Remissions	902,028
Judgments and Claims	1,913,357
Administrative Charge - Income Tax	52,095
Public Safety	
Police Department	378,778
Fire Prevention and Control -	
Fire Fighting	4,434,433
Culture and Recreation	
Parks Maintenance	33,409
Youth Service Agencies	2,063
Sanitation - Refuse Collection	129,724
Community Environment - Shade Tree Bureau	129,081

Note 2 - Stewardship, Compliance and Accountability (Continued)

Employee Benefits	
Disabled Firefighters' 207A Supplemental Pension	\$ 15,546
Debt Service	
Interest - Bond Anticipation Notes	12,578
Transfers Out - Debt Service Fund	118,704
Education Fund	
General Government Support	
Central administration	1,255
Instruction	
Instruction, Administration and Improvement	744,892
Pupil services	993,350
Other Financing Uses	
Transfers out	162,716
School Lunch Fund	
Cost of Food Sales	108,023
City Debt Service Fund	
Principal - Bonds	149,988
Education Debt Service Fund	
Retirement Incentives and Other	
Pension Obligations	
Principal	188,475
Interest	83,879

D. Application of Accounting Standards

For the year ended June 30, 2013, the City implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidance for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

E. Fund Deficits

The Education Fund reflects a total assigned fund balance of \$14,622,009 at June 30, 2013. However, as indicated in Note 3, O, after accounting for purchases on order of \$8,437,221 and for amounts assigned for balancing the 2013/14 budget, the remaining balance in the assigned category is a deficit of \$15,784,972. This deficit is largely attributable to the fact that the School District included an estimate of \$28.1 million for State aid revenues in its 2012/2013 adopted budget that was not received.

The School Lunch fund reflects an unassigned deficit of \$169,809 as of June 30, 2013.

The City plans to address these deficits in the ensuing years.

Note 3 - Detailed Notes on All Funds**A. Investments**

Investments of the primary government consist of the following:

Fund	Certificates of Deposit	Repurchase Agreements	U.S. Treasury Bills	Total Amortized Cost Which Approximates Fair Value
General	\$ 1,700,000	\$ 2,084,873	\$ 17,929,391	\$ 21,714,264
City Capital Projects	-	-	105,802,148	105,802,148
Special Purpose	351,754	-	-	351,754
Debt Service	-	-	11,961	11,961
Agency	126,049	-	-	126,049
	<u>\$ 2,177,803</u>	<u>\$ 2,084,873</u>	<u>\$ 123,743,500</u>	<u>\$ 128,006,176</u>

The certificates of deposit are fixed rate investments that have maturities that are of a duration of between four and twelve months and are secured by FDIC coverage and collateral posted by the respective depository. The repurchase agreements are reinvested on a daily basis and are secured by the underlying investments in U.S. Treasury obligations held by a third party financial institution in the City's name. Accordingly, this group of investments is not subject to custodial credit risk, interest rate risk or foreign currency risk.

Investments of the YDWDC component unit consist of certificates of deposit that have maturities greater than three months and are secured by FDIC coverage.

B. Property Taxes Receivable

Taxes receivable at June 30, 2013 consisted of the following:

Current year - City taxes	\$ 12,578,727
Current year - County taxes	2,341,205
Prior years - City and County taxes	17,991,541
Tax sale certificates	3,984,745
Property acquired for taxes	<u>3,761,047</u>
	40,657,265
Less - Allowance for uncollectible taxes	<u>(21,328,974)</u>
	<u>\$ 19,328,291</u>

C. Notes Receivable - Component Unit

Notes receivable of \$13,517,054 reflected in the YEDC (component unit) financial statements represents loans made to private developers for the construction of a public access parking garage and affordable housing units in the downtown Larkin Plaza area. The repayment terms, interest rates and maturities of each loan vary.

Note 3 - Detailed Notes on All Funds (Continued)

D. Loans Receivable

Loans receivable of \$517,364 reported in the General Fund as of June 30, 2013 represents a loan to the Yonkers Parking Authority as consideration for a permit of use granted to the Authority. Commencing February 1, 2012, the repayment terms require thirty annual payments of \$34,170, including interest at 5% per annum.

Loans receivable of \$14,573,625 reported in the Community Development Fund as of June 30, 2013 represent various loans issued to qualifying recipients under the Federal Home Investment Partnership Program and the Commercial Loan Program. The repayment terms and interest rates of each loan vary. It is the City's policy to recognize monthly payments as revenue in the year payment is received in the fund financial statements.

In the fund financial statements, portions of the above amounts have been reflected as unearned revenue since the amounts are not deemed "available" pursuant to generally accepted accounting principles.

E. Loans Receivable - Component Unit

Loans receivable - Component unit of \$1,839,408 in the Community Development Fund as of June 30, 2013 represent various loans issued between October 1995 and September 2009 to the YDWDC. The repayment terms, interest rates and maturities of each loan vary. The loans are secured by properties owned by the YDWDC. A portion of the above amount has been reflected as unearned revenue in the fund financial statements since the amount is not deemed "available" pursuant to generally accepted accounting principles.

F. Due From/To Other Funds

The balances reflected as due from/to other funds at June 30, 2013 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 45,493,159	\$ -
Education	16,296,535	2,194,176
Education Special Aid	-	17,860,905
Community Development	21,885,118	22,176,437
City Capital Projects	-	51,755,600
Education Capital Projects	47,198,918	422,865
Non-Major Governmental Funds	2,951,386	39,415,133
	<u>\$ 133,825,116</u>	<u>\$ 133,825,116</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

G. Capital Assets

Changes in the City's capital assets are as follows:

Class	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Capital Assets, not being depreciated:				
Land	\$ 24,517,166	\$ -	\$ -	\$ 24,517,166
Construction-in-progress	47,164,261	16,629,094	17,435,486	46,357,869
Total Capital Assets, not being depreciated	<u>\$ 71,681,427</u>	<u>\$ 16,629,094</u>	<u>\$ 17,435,486</u>	<u>\$ 70,875,035</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 465,804,552	\$ 24,314,184	\$ -	\$ 490,118,736
Machinery and Equipment	112,100,714	9,653,469	1,121,071	120,633,112
Infrastructure	201,800,410	5,248,038	-	207,048,448
Total Capital Assets, being depreciated	<u>779,705,676</u>	<u>39,215,691</u>	<u>1,121,071</u>	<u>817,800,296</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	160,545,208	10,730,330	-	171,275,538
Machinery and Equipment	87,030,190	7,159,115	1,121,071	93,068,234
Infrastructure	37,065,937	5,612,713	-	42,678,650
Total Accumulated Depreciation	<u>284,641,335</u>	<u>23,502,158</u>	<u>1,121,071</u>	<u>307,022,422</u>
Total Capital Assets, being depreciated, net	<u>495,064,341</u>	<u>15,713,533</u>	<u>-</u>	<u>510,777,874</u>
Capital Assets, net	<u>\$ 566,745,768</u>	<u>\$ 32,342,627</u>	<u>\$ 17,435,486</u>	<u>\$ 581,652,909</u>

Depreciation expense was charged to City functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 6,478,793
Education	6,577,235
Public Safety	3,470,180
Transportation	207,794
Culture and Recreation	4,607,480
Home and Community Services	<u>2,160,676</u>
Total Depreciation Expense	<u>\$ 23,502,158</u>

Note 3 - Detailed Notes on All Funds (Continued)**Net Investment in Capital Assets**

The City's net investment in capital assets at June 30, 2013 as reflected in the Statement of Net Position consists of the following:

Capital Assets, net		\$ 581,652,909
Less:		
Bonds Payable - Capital Construction	(472,440,046)	
Unamortized Premium on Bonds	(20,444,439)	
Notes Payable	<u>(17,690,456)</u>	(510,574,941)
Plus:		
Unamortized Portion of Issuance Costs	673,164	
Unamortized Loss on Refunding Bonds	4,778,607	
Unexpended Bond Proceeds	<u>93,160,132</u>	<u>98,611,903</u>
		<u>\$ 169,689,871</u>

Capital Assets - Component Units

Changes in the capital assets of the YDWDC (component unit) were as follows:

Class	Balance January 1, 2012	Additions	Balance December 31, 2012
Capital Assets, not being depreciated - Land	<u>\$ 658,485</u>	<u>\$ -</u>	<u>\$ 658,485</u>
Capital Assets, being depreciated - Buildings and Improvements	\$ 1,841,198	\$ -	\$ 1,841,198
Less Accumulated Depreciation for - Buildings and Improvements	<u>692,998</u>	<u>55,633</u>	<u>748,631</u>
Total Capital Assets, being depreciated, net	<u>1,148,200</u>	<u>(55,633)</u>	<u>1,092,567</u>
Capital Assets, net	<u>\$ 1,806,685</u>	<u>\$ (55,633)</u>	<u>\$ 1,751,052</u>

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the capital assets of the YPDI (component unit) were as follows:

Class	Balance January 1, 2012	Additions	Balance December 31, 2012
Capital Assets, not being depreciated - Leasehold Improvements	\$ 11,014,025	\$ -	\$ 11,014,025
Less Accumulated Depreciation for - Leasehold Improvements	<u>2,478,155</u>	<u>550,701</u>	<u>3,028,856</u>
Capital Assets, net	<u>\$ 8,535,870</u>	<u>\$ 550,701</u>	<u>\$ 7,985,169</u>

H. Accrued Liabilities

Accrued liabilities at June 30, 2013 were as follows:

	Fund							
	General	Education	Education Special Aid	Community Development	City Capital Projects	Education Capital Projects	Non-Major Governmental	Total Governmental
Payroll and Employee Benefits	\$ 5,714,298	\$ 9,756,377	\$ -	\$ -	\$ -	\$ -	\$ 62,779	\$ 15,533,454
Tuition	-	6,522,413	-	-	-	-	-	6,522,413
Other	<u>2,821,212</u>	<u>212,150</u>	<u>104,807</u>	<u>36,597</u>	<u>345,537</u>	<u>406,346</u>	<u>2,050,758</u>	<u>5,977,407</u>
	<u>\$ 8,535,510</u>	<u>\$ 16,490,940</u>	<u>\$ 104,807</u>	<u>\$ 36,597</u>	<u>\$ 345,537</u>	<u>\$ 406,346</u>	<u>\$ 2,113,537</u>	<u>\$ 28,033,274</u>

I. Pension Plans

The City participates in the New York State and Local Employees' Retirement System ("ERS"), the New York State and Local Police and Fire Retirement System ("PFRS") and the New York State Teachers' Retirement System ("TRS") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law and Education Law. The Systems issue publicly available financial reports that include financial statements and required supplementary information for the Systems. These reports may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224 and the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary for ERS and 3.5% for TRS without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions to ERS and PFRS are certified by the State

Note 3 - Detailed Notes on All Funds (Continued)

Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions to ERS and PFRS consist of a life insurance portion and regular pension contributions. Pursuant to Article 11 of Education Law, actuarial contributions are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates for the plans' year's ending in 2013 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	25.4%
	2 75I	23.2
	3 A14	18.6
	4 A15	18.6
	5 A15	15.1
	6 A15	10.1
PFRS	1 384E2	30.6
	2 384E1	29.8
	2 384E2	29.8
	3 384E	24.2
	5 384E	22.6
	6 384E	16.8
TRS	1 - 5	11.84

Contributions made or accrued to the Systems for the current and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>	<u>TRS</u>
2013	\$ 12,619,075	\$ 25,998,948	\$ 26,255,893
2012	13,544,864	20,454,696	22,700,099
2011	17,014,950	29,415,514	15,662,889

The ERS, PFRS and TRS contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current year ERS, PFRS and TRS contributions were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>	<u>TRS</u>
General	\$ 7,679,193	\$ 25,918,445	\$ -
Education	4,031,697	-	24,227,261
Education Special Aid	-	-	2,028,632
Education School Lunch	586,778	-	-
Community Development	111,059	-	-
City Grant	-	80,503	-
Sewer	210,348	-	-
	<u>\$ 12,619,075</u>	<u>\$ 25,998,948</u>	<u>\$ 26,255,893</u>

Note 3 - Detailed Notes on All Funds (Continued)

Prior to its participation in PFRS, the City had a pension plan covering firemen, policemen and their widows. It is the policy of the City to provide for payments to the beneficiaries of this plan out of current operations of the General Fund. The City is not required to pay benefits under this plan and the beneficiaries do not have a vested right to benefits. During the year ended June 30, 2013, \$94,975 was paid by the City.

J. Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. The borrowings for the General Fund consisted of notes issued in anticipation of the collection of State aid for the 2012-2013 fiscal year. The short-term borrowings for the Community Development Fund have been redeemed in the 2012-13 fiscal year.

	Balance July 1, 2012	Issues	Redemptions	Balance June 30, 2013
Revenue Anticipation Notes:				
General Fund	\$ -	\$ 20,000,000	\$ 20,000,000	\$ -
General Fund	-	30,000,000	30,000,000	-
General Fund	-	37,000,000	37,000,000	-
Community Development Fund	2,500,000	-	2,500,000	-
	<u>\$ -</u>	<u>\$ 87,000,000</u>	<u>\$ 89,500,000</u>	<u>\$ -</u>

The \$20 million revenue anticipation note was issued on February 25, 2013 and was redeemed on June 28, 2013 with interest at 1.59%. The \$30 million revenue anticipation note was issued on December 13, 2012 and was redeemed on June 28, 2013 with interest at 1.75%. The \$37 million revenue anticipation note was issued on December 13, 2012 and was redeemed on April 1, 2013 with interest at 1.43%. The \$2,500,000 revenue anticipation note matured on March 1, 2013 with interest at 2.9%. Interest expenditure/expense of \$620,309 were recorded in the fund financial statements in the General Fund and in the government-wide financial statements.

K. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance July 1, 2012	New Issues	Redemptions	Balance June 30, 2013
City Capital Projects Fund Various Capital Projects	2012	n/a	n/a	<u>\$ 975,000</u>	<u>\$ -</u>	<u>\$ 975,000</u>	<u>\$ -</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the

City of Yonkers, New York

Notes to Financial Statements (Continued) June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$12,578 were recorded in the fund financial statements in the General Fund. Interest expense of \$6,169 was recorded in the government-wide financial statements.

L. Long-Term Liabilities

The following table summarizes changes in the City's long-term liabilities for the year ended June 30, 2013:

	Balance July 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2013	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Fund	\$ 295,223,126	\$ 54,330,905	\$ 54,081,732	\$ 295,472,299	\$ 23,660,759
Education Fund	143,775,000	38,700,000	27,015,000	155,460,000	14,675,000
Water Fund	25,676,015	5,735,116	3,733,773	27,677,358	2,093,699
Sewer Fund	33,474,446	4,539,918	4,066,661	33,947,703	2,538,187
Public Library Fund	6,081,413	2,764,061	2,442,834	6,402,640	682,356
	504,230,000	106,070,000	91,340,000	518,960,000	43,650,001
Plus - Unamortized Premium on bonds	17,419,996	5,887,999	2,863,556	20,444,439	-
Less - Deferred Amounts on Refunding	(1,875,405)	(3,268,274)	(365,072)	(4,778,607)	-
	519,774,591	108,689,725	93,838,484	534,625,832	43,650,001
Bond Anticipation Notes Payable	-	7,065,000	-	7,065,000	7,065,000
Notes Payable	19,137,620	-	1,447,164	17,690,456	1,502,225
Loan Payable	341,770	-	-	341,770	-
State Loan Payable	3,600,000	-	200,000	3,400,000	200,000
Other Non-current Liabilities:					
Compensated Absences	41,206,396	10,090,285	4,120,862	47,175,819	4,718,000
Retirement Incentives and Other Pension Obligations	43,903,161	18,378,038	7,259,161	55,022,038	10,606,618
Claims Payable	64,804,664	22,815,393	22,076,135	65,543,922	19,432,925
Other Post Employment Benefit Obligations	520,916,845	156,519,570	46,253,599	631,182,816	-
Total Other Non-current Liabilities	670,831,066	207,803,286	79,709,757	798,924,595	34,757,543
Governmental Activities Long-Term Liabilities	<u>\$ 1,213,685,047</u>	<u>\$ 323,558,011</u>	<u>\$ 175,195,405</u>	<u>\$ 1,362,047,653</u>	<u>\$ 87,174,769</u>

Notes to Financial Statements (Continued)

June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

	Balance July 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2013	Due Within One Year
Component Units:					
Yonkers Downtown Waterfront Development Corporation - Loans					
Primary Government	\$ 2,095,421	\$ -	\$ 256,013	\$ 1,839,408	\$ 271,859
Other	700,944	-	187,722	513,222	10,565
	2,796,365	-	443,735	2,352,630	282,424
Yonkers Economic Development Corporation - Loans - Other	2,629,000	-	-	2,629,000	-
Yonkers Pier Development, Inc. - Loans - Other	8,672,879	-	108,933	8,563,946	108,614
Component Units Long-Term Liabilities	<u>\$ 14,098,244</u>	<u>\$ -</u>	<u>\$ 552,668</u>	<u>\$ 13,545,576</u>	<u>\$ 391,038</u>

Each governmental fund's liability for compensated absences, retirement incentives and other pension obligations, claims payable and other postemployment benefit obligations are primarily liquidated by the General and Education Funds. The City's indebtedness for bonds, notes, loans and state loans is satisfied by the City and Education Debt Service Funds, respectively, which are funded primarily by the General and Education Funds, respectively.

Note 3 - Detailed Notes on All Funds (Continued)**Bonds Payable**

Bonds payable at June 30, 2013 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2013
Environmental Facilities Corporation	1998 D	\$ 5,000,000	April 2018	1.942-3.132 %	\$ 1,485,000
Public Improvements	2004 B	34,025,000	October 2014	4.0	5,170,000
Educational Facilities Improvements	2004 C	12,000,000	October 2014	3.625-3.75	1,795,000
Refunding Bonds	2004 A	37,550,000	December 2013	5.0	1,960,000
Public Improvements	2004 E	30,405,000	December 2014	5.0	6,190,000
Educational Facilities Improvements	2004 F	11,800,000	December 2014	5.0	2,950,000
Refunding Bonds	2005 A	72,700,000	August 2019	5.0	55,975,000
Public Improvements	2005 B	78,420,000	August 2035	5.0	58,795,000
Public Improvements	2006 A	44,850,000	September 2031	3.8-5.0	37,905,000
Educational Facilities Improvements	2006 B	7,790,000	September 2023	4.0-4.5	5,640,000
Public Improvements	2007 A	33,685,000	May 2021	4.5-5.0	23,005,000
Educational Facilities Improvements	2007 B	15,190,000	May 2028	4.0-4.25	12,460,000
Public Improvements	2008 A	38,690,000	November 2020	3.125-5.0	27,820,000
Educational Facilities Improvements	2008 B	17,985,000	November 2030	3.0-5.0	15,675,000
Qualified Zone Academy Bonds -					
Educational Facilities Improvements	2008 C	14,164,000	December 2018	-	9,400,000
Qualified Zone Academy Bonds -					
Educational Facilities Improvements	2009 A	13,836,000	December 2019	0.35	9,735,000
Public Improvements	2010 A	37,185,000	November 2024	2.0-5.0	31,370,000
Public Improvements	2011 A	85,575,000	October 2024	5.0	79,760,000
Public Improvements	2011 B	12,555,000	October 2027	.0-5.0	11,950,000
Qualified School Construction Bonds -				3	
Educational Facilities Improvements	2011 C	15,000,000	December 2026	5.75	14,000,000
Refunding Bonds	2012 A	37,040,000	August 2030	2.0-4.0	36,890,000
Education Refunding Bonds	2012 B	12,110,000	July 2018	2.0-3.0	12,110,000
Public Improvements	2012 C	30,330,000	August 2026	2.0-4.0	30,330,000
Educational Facilities Improvements	2012 D	26,590,000	August 2025	3.0	26,590,000
					<u>\$ 518,960,000</u>

Interest expenditures of \$17,079,357 and \$5,804,243 were recorded in the fund financial statements in the City and Education Debt Service Funds, respectively. Interest expense of \$18,825,678 was recorded in the government-wide financial statements.

Bond Anticipation Notes Payable

The schedule below details the changes in long-term non-capital borrowings:

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance July 1, 2012	New Issues	Redemptions	Balance June 30, 2013
Tax Certiorari	2013	8/13	1.58 %	\$ -	\$ 7,065,000	\$ -	\$ 7,065,000

Note 3 - Detailed Notes on All Funds (Continued)

The City, in May 2013, issued a bond anticipation note for \$7,065,000 to finance tax certiorari payments. The note is due 3 months from the date of issuance but may be renewed up to five years pursuant to Local Finance Law, provided that stipulated annual reductions of principal are made. Interest expense of \$11,927 was recorded in the government-wide financial statements for governmental activities.

The City, pursuant to FASB 6, has not recorded this liability in the fund financial statements since it has demonstrated an ability to consummate refinancing. The ability to consummate refinancing was evidenced by the renewal of the note on August 2, 2013. (See Note 5)

Notes Payable

The City, in 2003-04, entered into a contractual agreement to install energy saving equipment and/or to upgrade existing facilities at the City's skating rink to enhance performance. The terms of the contract provide for repayment over twenty years, with monthly installments of \$5,132 through January, 2024. Payments include interest at 0.86%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2013 was \$618,030.

The City, in 2003-04, entered into a contractual agreement to upgrade existing facilities at the N-Valley Technology Center to enhance performance. The terms of the contract provide for repayment over twelve years, with monthly installments of \$25,208 through June 2014, \$19,012 through June 2015 and \$9,612 through December, 2016. Payments include interest at 0.82%. The balance due at June 30, 2013 was \$676,854.

The City, in 2008-09, entered into a contractual agreement to install energy saving equipment and/or to upgrade existing facilities at the City's Pier to enhance performance. The terms of the contract provide for repayment over fifteen years, with monthly installments of \$9,890 through March, 2024. Payments include interest at 0.82%. The balance due at June 30, 2013 was \$1,202,697.

During 2009, the School District entered into a contractual agreement for the acquisition of energy efficient equipment to assist the School District in reducing its ongoing energy costs. The terms of the agreement provide for annual installments in varying amounts from \$156,660 to \$943,580 including interest at 4.44%, through October, 2024. The balance due at June 30, 2013 was \$8,130,000.

During 2011, the School District entered into a contractual agreement to finance energy saving upgrades. The terms of the agreement provide for semi-annual installments in varying amounts from \$310,515 to \$443,505 including interest at 3.77%, through February, 2024. The balance due at June 30, 2013 was \$7,062,875.

Interest expenditures of \$23,071 and \$664,213 were recorded in the fund financial statements in the City Debt Service Fund and the Education Fund, respectively. Interest expense of \$776,866 was recorded in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)**Loan Payable**

The Community Development Agency ("Agency") has a loan payable to a bank in the amount of \$341,770 which bears interest at 2.16%. The proceeds have been deposited into a restricted cash account. These borrowings were used to fund an interest reserve such that the Agency would pledge the proceeds of the loan as a collateral device for the obligations of the Agency to cover any shortfalls in debt service costs associated with a financial assistance agreement with the Yonkers Economic Development Corporation ("YEDC"). The interest costs, representing an amount equal to 2% over interest earnings on the restricted cash proceeds held on deposit are paid by the YEDC. The loan is secured by a second lien leasehold mortgage and security agreement along with a second lien assignment of leases and rents on a ground lease on property located in the City. The note matures in August 2023.

State Loan Payable

The State of New York, pursuant to Chapter 88 of the Laws of 2000, accelerated \$6 million of Education State aid during the 1999-2000 fiscal year. In each of the subsequent 30 years, the aid formula enumerated in the statutes will reduce the accelerated portion by \$200,000 per year. This loan is interest free. Accordingly, at June 30, 2013, the City has recorded a liability of \$3,400,000.

The provisions of the statute also require the School District's chief fiscal officer to monitor all budgets and prepare a quarterly report depicting revenue and expenditure trends. The reports require recommended remedial action by the Superintendent, if necessary, to resolve any unfavorable budget variances. The reports are to be submitted within sixty days after the end of the quarter to the Board of Education, the State Division of the Budget, the State Comptroller, the Commissioner of Education, the Chairman of the Assembly Ways and Means Committee and the Chairman of the Senate Finance Committee.

Payments to Maturity

The annual requirements to amortize all bonded debt, notes and State loans outstanding as of June 30, 2013, including interest payments of \$162,991,344 are as follows:

Year Ending June 30,	Bonds		Bond Anticipation Note		Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 43,650,001	\$ 21,515,657	\$ 7,065,000	\$ 27,907	\$ 1,502,225	\$ 641,961
2015	49,089,999	19,352,439	-	-	1,494,158	595,096
2016	49,269,999	17,393,871	-	-	1,448,619	546,376
2017	49,305,000	15,438,097	-	-	1,435,100	495,673
2018	46,059,998	13,542,250	-	-	1,466,205	443,161
2019-2023	151,975,004	44,152,799	-	-	8,464,963	1,328,743
2024-2028	82,309,999	19,044,336	-	-	1,879,186	72,913
2029-2033	33,365,000	7,250,488	-	-	-	-
2034-2036	13,935,000	1,068,375	-	-	-	-
	<u>\$ 518,960,000</u>	<u>\$ 158,758,312</u>	<u>\$ 7,065,000</u>	<u>\$ 27,907</u>	<u>\$ 17,690,456</u>	<u>\$ 4,123,923</u>

Note 3 - Detailed Notes on All Funds (Continued)

Year Ending June 30,	Loans		State Loan Principal	Total	
	Principal	Interest		Principal	Interest
2014	\$ -	\$ 7,382	\$ 200,000	\$ 52,417,226	\$ 22,192,907
2015	-	7,382	200,000	50,784,157	19,954,917
2016	-	7,382	200,000	50,918,618	17,947,629
2017	-	7,382	200,000	50,940,100	15,941,152
2018	-	7,382	200,000	47,726,203	13,992,793
2019-2023	-	36,910	1,000,000	161,439,967	45,518,452
2024-2028	341,770	7,382	1,000,000	85,530,955	19,124,631
2029-2033	-	-	400,000	33,765,000	7,250,488
2034-2036	-	-	-	13,935,000	1,068,375
	<u>\$ 341,770</u>	<u>\$ 81,202</u>	<u>\$ 3,400,000</u>	<u>\$ 547,457,226</u>	<u>\$ 162,991,344</u>

The above general obligation bonds, notes, loans and State loans are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the City.

Advance Refunding

During the current fiscal year, the City issued \$37,040,000 in serial bonds with interest rates ranging from 2.0% to 4.0%, depending on maturity. The proceeds were used to refund \$135,000 of the 1997 Series C refunding serial bonds bearing interest at rates ranging from 5.25% to 5.3%, \$7,905,000 of the 2002 Series A public improvement serial bonds bearing interest at rates ranging from 4.3% to 5.25%, \$11,675,000 of the 2004 Series B public improvement serial bonds bearing interest at rates ranging from 3.99% to 4.32%, \$6,840,000 of the 2004 Series E public improvement serial bonds bearing interest at the rate of 5.0% and \$9,675,000 of the 2005 Series B public improvement serial bonds bearing interest at the rate of 5%. The net proceeds of \$39,151,185 (net of a \$2,396,024 re-offering premium and after payment of \$284,839 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1997 Series C, 2002 Series A, 2004 Series B, 2004 Series E and 2005 Series B serial bonds. As a result, the 1997 Series C, 2002 Series A, 2004 Series B, 2004 Series E and 2005 Series B serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,921,185 and the premium received was \$2,396,024. These amounts are being netted against the new debt and amortized over the remaining life of the refunded debt.

The City advance refunded the 1997 Series C, 2002 Series A, 2004 Series B, 2004 Series E and 2005 Series B serial bonds to reduce its total debt service payments over 17 years by \$2,835,368 and to obtain a net present value economic gain of \$2,270,488.

The School District also issued \$12,110,000 in serial bonds with interest rates ranging from 2.0% to 3.0%, depending on maturity. The proceeds were used to refund \$5,185,000 of the 1999A educational facilities improvements serial bonds bearing interest at rates ranging from 4.25% to 5.00%, \$3,145,000 of the 2002 Series B educational facilities improvement serial bonds bearing interest at rates ranging from 3.25% to 4.875% and \$4,040,000 of the 2004 Series C educational facilities improvement serial bonds bearing interest at rates ranging from 2.25% to 5.0%. The net

Note 3 - Detailed Notes on All Funds (Continued)

proceeds of \$12,717,089 (net of a \$673,874 re-offering premium and after payment of \$66,785 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1999A, 2002 Series B and 2004 Series C serial bonds. As a result, the 1999A, 2002 Series B and 2004 Series C serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$347,089 and the premium received was \$673,874. These amounts are being netted against the new debt and amortized over the remaining life of the refunded debt.

The School District advance refunded the 1999A, 2002 Series B and 2004 Series C serial bonds to reduce its total debt service payments over 5 years by \$1,229,681 and to obtain a net present value economic gain of \$1,125,160.

As of June 30, 2013, the total defeased bonds outstanding were \$32,230,000.

Compensated Absences

City employees earn vacation leave based upon the terms of the respective collective bargaining agreements. Vacation leave is accumulated monthly and is payable upon termination. The maximum accumulation is dependent upon length of service and varies with each agreement. City employees, with at least 20 years of service to the City, are entitled to terminal leave upon retirement. Eligible employees receive one and one-half day's pay for each year of service to the City. Accumulated sick and personal leave lapses when employees leave the employ of the City and, upon separation of service, no monetary obligation exists. However, certain employees of the School District, upon separation of service, are compensated for unused sick days accumulated in the 1988-89 fiscal year. Additionally, certain School District employees with at least 20 years of service to the School District are entitled to receive payment for accumulated unused sick days upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

Retirement Incentives and Other Pension Obligations

The ERS and PFRS charges to participating governments increased significantly in 2003. Consequently, the State Legislature enacted legislation in 2003 and 2004 that authorized local governments to amortize a portion of their respective contributions due in 2004, 2005 and 2006 and pay each of these obligations over a ten year period with interest at 5% per annum. The City and School District elected to amortize the maximum allowable ERS and PFRS contributions for each respective year as noted in the table below.

In June 2010, the City and Board of Education approved a workforce reduction plan. An integral part of the plan was the adoption of Parts A and B of the 2010 Retirement Incentive Program offered by ERS, PFRS and TRS. Part A of the program provided eligible employees one month of additional service credit for each year of service up to 36 months. Part B of the program provided for no age reduction if the employees were at least age 55 with 25 years or more years of service credit. Participating employers were not required to eliminate vacated positions provided they could demonstrate, over a two year period, savings of at least one-half of the base salary of the retiring employee. The estimated cost of the program was to be approximately 60% of the employee's final

Note 3 - Detailed Notes on All Funds (Continued)

average salary. Payments are being made over a five year period with interest at 7.5%. The current year cost and balance due are noted in the table below.

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The City and the School District have elected to amortize the maximum allowable ERS contribution in each of the fiscal years since this option was first offered which is outlined in the table below.

Interest expenditures of \$171,655 were recorded in the fund financial statements in the Education Debt Service Fund. Interest expense of \$167,581 was recorded in the government-wide financial statements.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2004-2005 ERS	\$ 5,418,285	\$ 701,693	\$ 1,304,734	\$ 636,457
2004-2005 PFRS	12,442,380	1,621,203	2,996,152	1,461,538
2005-2006 ERS	837,201	108,788	293,424	93,975
2005-2006 PFRS	8,385,668	1,092,625	2,924,195	943,850
2006-2007 PFRS	9,051,881	1,172,260	4,156,776	964,421
2010-2011 ERS	1,584,724	205,258	1,326,438	138,907
2010-2011 PFRS	2,947,725	381,743	2,467,291	258,379
2010-2011 ERS Incentive	6,954,333	1,666,595	4,334,023	1,341,543
2010-2011 TRS Incentive	11,071,749	1,586,408	7,323,277	2,255,815
2011-2012 ERS	4,343,262	528,842	3,977,293	379,693
2011-2012 PFRS	6,050,195	736,679	5,540,397	528,915
2012-2013 ERS	8,517,368	-	8,517,368	742,974
2012-2013 PFRS	9,860,670	-	9,860,670	860,151
	<u>\$ 87,465,441</u>	<u>\$ 9,802,094</u>	<u>\$ 55,022,038</u>	<u>\$ 10,606,618</u>

Note 3 - Detailed Notes on All Funds (Continued)

The current year payments were charged to retirement expenditures in the funds identified below:

Fund	TRS	ERS	PFRS	Total
General Fund	\$ -	\$ 1,784,891	\$ 5,004,510	\$ 6,789,401
Education Fund	1,586,408	696,944	-	2,283,352
Education Debt Service Fund	-	729,341	-	729,341
	<u>\$ 1,586,408</u>	<u>\$ 3,211,176</u>	<u>\$ 5,004,510</u>	<u>\$ 9,802,094</u>

Claims Payable

The government-wide financial statements reflects general and workers' compensation liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended June 30, 2013		Year Ended June 30, 2012	
	General Liability	Workers' Compensation	General Liability	Workers' Compensation
Balance - Beginning of Year	\$ 28,505,000	\$ 19,483,000	\$ 26,322,000	\$ 22,621,000
Provision for Claims and Claims Adjustment Expenses	1,399,357	10,861,153	3,390,128	7,336,964
Claims and Claims Adjustment Expenses Paid	(2,913,357)	(10,573,153)	(1,207,128)	(10,474,964)
Balance - End of Year	<u>\$ 26,991,000</u>	<u>\$ 19,771,000</u>	<u>\$ 28,505,000</u>	<u>\$ 19,483,000</u>
Due Within One Year	<u>\$ 2,913,357</u>	<u>\$ 10,573,153</u>	<u>\$ 1,207,128</u>	<u>\$ 10,474,964</u>

Note 3 - Detailed Notes on All Funds (Continued)

Claims payable also includes a liability of \$4,200,000 for court ordered tax certiorari refunds which were not due and payable at year end, \$5,027,039 for a settlement reached between the School District and Yonkers Federation of Teachers as a result of a salary arbitration claim against the School District and \$9,554,883 for a settlement reached between the City and the Police Benevolent Association. These amounts have been recorded as an expense and liability in the government-wide financial statements.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City may vary according to length of service. The cost of providing post-employment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds. Separate financial statements are not issued for the plan.

The City's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 established standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The City is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

Note 3 - Detailed Notes on All Funds (Continued)

Year Ended June 30,	Healthcare Cost Trend Assumption	
	Pre-65	Post-65
2014	9.00 %	9.00 %
2015	8.50	8.50
2016	8.00	8.00
2017	7.50	7.50
2018	7.00	7.00
2019	6.50	6.50
2020	6.00	6.00
2021	5.50	5.50
2022+	5.00	5.00

The amortization basis is the level dollar method with an open amortization approach with 24 years remaining in the amortization period. The actuarial assumptions include a 4% investment rate of return and a 4% inflation rate. The projected unit credit method was used to determine the actuarial value of the assets of the OPEB plan, however, the City currently has no assets set aside for the purpose of paying postemployment benefits.

The number of participants as of June 30, 2013 was as follows:

Active Employees	5,133
Retired Employees	3,961
	<u>9,094</u>

Amortization Component:

Actuarial Accrued Liability as of July 1, 2012	\$ 1,670,054,130
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 1,670,054,130</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 460,408,805</u>
UAAL as a Percentage of Covered Payroll	<u>362.73%</u>
Annual Required Contribution	\$ 143,381,853
Interest on Net OPEB Obligation	20,836,673
Adjustment to Annual Required Contribution	<u>(7,698,956)</u>
Annual OPEB Cost	156,519,570
Contributions Made	<u>(46,253,599)</u>
Increase in Net OPEB Obligation	110,265,971
Net OPEB Obligation - Beginning of Year	<u>520,916,845</u>
Net OPEB Obligation - End of Year	<u>\$ 631,182,816</u>

Note 3 - Detailed Notes on All Funds (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and the two preceding years is as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 156,519,570	29.6 %	\$ 631,182,816
2012	144,575,458	33.1	520,916,845
2011	133,836,432	32.9	424,168,827

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Component Unit - Loans

The YDWDC (component unit) has received loans from the Community Development Fund that have an outstanding balance of \$1,839,408 as of December 31, 2012. These loans have various due dates ranging from October 2014 through January 2036. The interest rates on these loans range from 1% to 5.99%, depending upon maturity.

The YDWDC (component unit) also has received a loan from Community Preservation Corporation that has an outstanding balance of \$513,222 as of December 31, 2012. This loan matures in May 2035. The interest rate on this loan is 6.5%.

The YEDC (component unit) has a loan payable to the bank which bears interest at prime plus 2% for the period from June 2011 through June 2018, at which time the rate will be fixed at 6.5% per annum. The loan is secured by a ground lease and a first lien mortgage on certain properties located in the City. Interest is due quarterly through the loan's maturity in June 2023, at which time the principal amount is due in its entirety. The principal balance outstanding at December 31, 2012 was \$2,629,000.

The YPDI (component unit) has entered into four lower tier notes with NDC New Markets Investments XXII, L.P. with aggregate principal obligations of \$7,289,840 at December 31, 2012. Interest only payments are required on a quarterly basis. Principal repayment will begin no earlier than April 1, 2015. The interest rates on three of the notes range from .5% to 1.055%, with interest on the fourth note calculated at the 3 month LIBOR rate plus 20 basis points. The loans have various due dates ranging from April 2027 through April 2043.

The YPDI (component unit) also has entered into a contractual agreement with the New York Power Authority to install energy saving equipment and/or upgrading existing facilities at the Pier. The terms of the loan provide for repayment over fifteen years in monthly installments of principal and interest. Interest is charged at .82%. The principal balance on this obligation at December 31, 2012 was \$1,274,106.

Note 3 - Detailed Notes on All Funds (Continued)**M. Revenues and Expenditures****Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Transfers Out	Transfers In				Total
	General	Education	Education Special Aid	Non-Major Governmental	
General	\$ -	\$ 224,749,240	\$ -	\$ 52,481,188	\$ 277,230,428
Education	-	-	664,162	19,316,729	19,980,891
Non-Major Governmental	7,895,324	-	-	8,214,648	16,109,972
	<u>\$ 7,895,324</u>	<u>\$ 224,749,240</u>	<u>\$ 664,162</u>	<u>\$ 80,012,565</u>	<u>\$ 313,321,291</u>

Transfers are used to 1) move funds from the General Fund to the Education Fund to provide local funding for the City's public school operations, 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and School Lunch funds expenditures.

N. Significant Commitments – Encumbrances

As discussed in Note 2,A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2013, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 1,816,058
Education Fund	8,437,221
Water Fund	471,160
Sewer Fund	58,832
Public Library Fund	625
	<u>\$ 10,783,896</u>

O. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities of certain programs with constraints placed on their use by either external parties and/or statute.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Community Development Projects - the component of net position that reports the difference between assets and liabilities of the Community Development Funds with constraints placed on their use by the United States Department of Housing and Urban Development.

Restricted for Sewer - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

P. Fund Balance

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City of Yonkers, New York

Notes to Financial Statements (Continued)

June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

	2012						
	General Fund	Education Fund	Education Special Aid Fund	Community Development Fund	City Capital Projects Fund	Education Capital Projects Fund	Non-Major Governmental Funds
Nonspendable:							
Notes receivable	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advances	3,060,621	-	-	-	-	-	-
Long-term receivables	-	-	-	3,060,621	-	-	-
Inventories	-	-	-	-	-	-	158,853
Total Nonspendable	3,071,221	-	-	3,060,621	-	-	158,853
Restricted:							
Advances	-	1,000,000	-	-	-	-	-
Debt service	-	-	-	-	-	-	40,823
Capital projects	-	-	-	-	38,598,194	-	-
Special purposes	-	-	-	-	-	-	1,136,989
Total Restricted	-	1,000,000	-	-	38,598,194	-	1,177,812
Committed:							
Capital improvements or equipment	-	3,000,000	-	-	-	-	-
Other post-employment benefit obligations	-	500,000	-	-	-	-	-
Technology upgrade	-	500,000	-	-	-	-	-
Unemployment insurance	-	850,000	-	-	-	-	-
Total Committed	-	4,850,000	-	-	-	-	-
Assigned:							
Purchases on order:							
General government support	799,577	-	-	-	-	-	-
Education	-	5,460,429	193,100	-	-	8,413,867	13,782
Public safety	274,781	-	-	-	-	-	-
Transportation	645,607	-	-	-	-	-	-
Culture and recreation	25,999	-	-	-	-	-	81,515
Home and community services	50,577	-	-	-	-	-	186,388
Employee benefits	167,807	-	-	-	-	-	-
	1,964,348	5,460,429	193,100	-	-	8,413,867	281,685
For subsequent year's expenditures:							
General Fund	8,861,231	-	-	-	-	-	-
Education Fund	-	15,095,574	-	-	-	-	-
Education purposes	-	16,119,760	-	-	-	-	-
Community development purposes	-	-	-	249,161	-	24,795,471	-
Education capital projects purposes	-	-	-	-	-	-	-
Education debt service purposes	-	-	-	-	-	-	421,348
Public library purposes	-	-	-	-	-	-	157,599
Water purposes	-	-	-	-	-	-	2,669,393
Sewer purposes	-	-	-	-	-	-	988,960
Total Assigned	10,825,579	36,675,763	193,100	249,161	-	33,209,338	4,518,985
Unassigned	20,918,509	-	(193,100)	-	-	-	(130,153)
Total Fund Balances	\$ 34,815,309	\$ 42,525,763	\$ -	\$ 3,309,782	\$ 38,598,194	\$ 33,209,338	\$ 5,725,497
							\$ 158,183,883

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Notes Receivable has been classified as nonspendable to indicate that such funds do not represent "available" spendable resources even though they are a component of current assets.

Advances have been classified as restricted to indicate the long-term nature of funds advanced to the Community Development Fund. These funds do not represent "available spendable resources" even though they are a component of current assets.

Long-Term Receivables represents funds set aside to indicate the long-term nature of certain items in the General Fund and certain loans and state aid payments owed to the City in the Community Development Fund. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Purchases on order are assigned and represent the City's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

The Special Local Finance and Budget Act for the City provides that any operating surplus of prior years, not in excess of the amount of the aggregate fund balance of the various operating funds of the City as of the end of the previous fiscal year, can be included as a financing source in the preparation of the next budget. Similarly, any deficits created in the current year must be provided for in the next budget. Accordingly, at June 30, 2013, the City has assigned the above amounts to be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City, in common with other municipalities, receives numerous notices of claims for money damages arising generally from false arrest and imprisonment, malicious prosecution, personal injury and breach of civil rights. The filing of such claims commences a statutory period for initiating judicial action. The City is self-insured with respect to most tort matters and, in the opinion of the City's Corporation Counsel, any resulting exposure in these cases would be funded through the issuance of indebtedness and would not have an adverse impact on the City's current financial condition.

Several employment discrimination and harassment claims have been filed against the School Board. The cases are in various stages and are either awaiting trial or judgment. The School District's insurance carrier for its school leaders errors and omissions policy has been notified of these cases. Counsel is unable to estimate damages, if any, at this time.

Section III - Federal Award Findings and Questioned Costs (Continued)

Finding 2013-013: Required Content for the Schedule of Expenditures of Federal Awards and Reporting Correct Catalogue of Federal Domestic Assistance Numbers for: (Continued)

Criteria: Circular A-133 states that the auditee must prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. At a minimum, the schedule of expenditures of federal awards should include the following:

- List of individual federal programs by federal agency, including cluster programs.
- For federal awards received as a sub-recipient include the name of the pass-through entity and the identifying number assigned by the pass-through entity.
- Provide the total federal awards expended for each program and the identifying CFDA number.
- Include notes that describe the significant accounting policies used to prepare the schedule.

Condition: At the commencement of our field work, a SEFA was not provided by the City.

Cause: The City does not appear to have a method or system in place to compile a complete and accurate SEFA.

Effect or Potential Effect: The auditors' opinion on the SEFA may be significantly impacted when required information is not included in the schedule. There could be the perception that the City may not be in compliance with Circular A-133 requirements to manage its federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements. In addition, the A-133 report may not be filed by the due date which is the earlier of 30 days after the receipt of the auditors' report or nine months after the end of the audit period.

Recommendation: The City should prepare a SEFA for the period under audit. The City should ensure there is effective internal control over compliance for federal programs.

Management's Response: See corrective action plan

Finding 2013-014: CFDA 81.128 Subrecipient Monitoring - Energy Efficiency and Conservation Block Grant Program (EECBG) and Subrecipient Versus Vendor Status.

Criteria: The auditee is responsible for ensuring compliance for vendor transactions which are structured such that the vendor is responsible for program compliance or the vendor's records must be reviewed to determine compliance.

Condition: The City received a grant directly from the Department of Energy to replace windows in City Hall. The City entered into an agreement with the New York Power Authority (NYPA), which was considered to be a vendor, to administer the grant. NYPA in turn sub-contracted the work to another vendor to perform the actual installation. An agreement existed between NYPA and the subcontractor that detailed program compliance, but we were not able to evaluate said compliance by reviewing either the City's or NYPA's records.

Cause: The City did not monitor the activities of subrecipient.

Section III - Federal Award Findings and Questioned Costs (Continued)

Finding 2013-014: CFDA 81.128 Subrecipient Monitoring - Energy Efficiency and Conservation Block Grant Program (EECBG) and Subrecipient Versus Vendor Status. (Continued)

Effect or Potential Effect: We could not obtain sufficient assurance of compliance from reviewing the City's records and procedures and, therefore, a deficiency in internal control over compliance exists.

Recommendation: Because the City acted as a pass-through entity, it still has responsibility to monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements and that performance goals are achieved.

Management's Response: See corrective action plan

City of Yonkers, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2010	\$ -	\$ 1,545,559,712	\$ 1,545,559,712	- %	\$ 473,963,743	326.09 %
July 1, 2011	-	1,602,018,834	1,602,018,834	-	463,562,310	345.59
July 1, 2012	-	1,670,054,130	1,670,054,130	-	460,408,805	362.73

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund constitutes the primary operating fund of the City and is used to account for and report all financial resources not accounted for and reported in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

- **Education Fund** - The Education Fund is used to account for the operation of the Yonkers City School District in accordance with the Education Law of the State of New York.
- **Education Special Aid Fund** - The Education Special Aid Fund is used to account for special projects or programs of the School District which are supported in whole or in part with Federal, State or local funds.
- **Community Development Fund** - The Community Development Fund is used to record the operations of the Federal grant programs operated by the City's Community Development Agency.

CAPITAL PROJECTS FUNDS

- **City Capital Projects Fund** - The City Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets for City purposes.
- **Education Capital Projects Fund** - The Education Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of major capital facilities and other capital assets for School District purposes.

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City of Yonkers, New York

General Fund
Comparative Balance Sheet
June 30,

	2013	2012
ASSETS		
Cash and equivalents	\$ 55,979,761	\$ 72,362,715
Investments	21,714,264	5,643,973
Property taxes receivable		
City	28,355,752	35,077,467
County	4,555,721	8,744,141
Tax sale certificates	3,984,745	4,219,948
Property acquired for taxes	3,761,047	3,761,047
	40,657,265	51,802,603
Allowance for uncollectible taxes	(21,328,974)	(26,027,526)
	19,328,291	25,775,077
Other receivables		
Income taxes	886,850	553,381
Accounts, net of allowance for uncollectible amounts of \$390,707 in 2013 and 2012	8,767,100	9,489,283
State and Federal aid	23,640,743	21,815,573
Due from other funds	45,493,159	8,236,819
Advances to other funds	2,730,129	3,060,621
Notes	10,600	10,600
Loans	517,364	491,101
	82,045,945	43,657,378
Total Assets	\$ 179,068,261	\$ 147,439,143
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 53,168,329	\$ 38,600,206
Accrued liabilities	8,535,510	11,292,450
County taxes payable	33,234,716	30,109,955
Employee payroll deductions	585,543	176,622
Unearned revenues	4,385,688	4,450,863
Unearned tax revenues	16,359,627	21,528,707
Due to retirement systems	7,920,126	6,465,031
Total Liabilities	124,189,539	112,623,834
Fund balance		
Nonspendable	4,464,686	3,071,221
Assigned	18,816,058	10,825,579
Unassigned	31,597,978	20,918,509
Total Fund Balance	54,878,722	34,815,309
Total Liabilities and Fund Balance	\$ 179,068,261	\$ 147,439,143

City of Yonkers, New York
General Fund
**Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,**

	2013			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 301,916,360	\$ 301,916,360	\$ 305,492,125	\$ 3,575,765
Other tax items	61,252,089	61,252,089	69,650,917	8,398,828
Non-property taxes	113,940,799	113,940,799	120,189,039	6,248,240
Departmental income	27,934,032	27,934,032	27,305,129	(628,903)
Use of money and property	847,339	847,339	672,850	(174,489)
Sale of property and compensation for loss	423,960	423,960	258,202	(165,758)
State aid	114,431,663	114,431,663	115,955,121	1,523,458
Federal aid	1,559,499	1,559,499	5,884,533	4,325,034
Miscellaneous	2,245,639	2,245,639	2,682,667	437,028
Total Revenues	624,551,380	624,551,380	648,090,583	23,539,203
EXPENDITURES				
Current				
General government support	77,634,476	84,175,297	78,047,611	6,127,686
Public safety	134,682,192	134,685,410	138,874,949	(4,189,539)
Transportation	1,565,148	1,565,148	1,005,669	559,479
Culture and recreation	7,595,396	7,670,397	7,398,307	272,090
Home and community services	25,184,740	25,630,698	24,222,361	1,408,337
Employee benefits	117,698,607	117,698,609	115,575,282	2,123,327
Debt service				
Interest	1,800,000	1,800,000	632,887	1,167,113
Total Expenditures	366,160,559	373,225,559	365,757,066	7,468,493
Excess of Revenues Over Expenditures	258,390,821	251,325,821	282,333,517	31,007,696
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Bond anticipation notes issued	-	7,065,000	7,065,000	-
State loan issued	-	-	-	-
Transfers in	7,895,324	7,895,324	7,895,324	-
Transfers out	(277,111,724)	(277,111,724)	(277,230,428)	(118,704)
Total Other Financing Uses	(269,216,400)	(262,151,400)	(262,270,104)	(118,704)
Net Change in Fund Balance	(10,825,579)	(10,825,579)	20,063,413	30,888,992
FUND BALANCE				
Beginning of Year, as reported	10,825,579	10,825,579	34,815,309	23,989,730
Prior Period Adjustment	-	-	-	-
Beginning of Year, as restated	10,825,579	10,825,579	34,815,309	23,989,730
End of Year	\$ -	\$ -	\$ 54,878,722	\$ 54,878,722

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 288,847,776	\$ 288,847,776	\$ 289,233,129	\$ 385,353
65,562,876	65,562,876	67,314,225	1,751,349
115,045,285	115,045,285	115,619,511	574,226
25,384,219	25,384,219	25,340,524	(43,695)
838,525	838,525	722,936	(115,589)
215,000	215,000	19,495	(195,505)
113,908,739	113,908,739	113,228,032	(680,707)
21,450	21,450	143,119	121,669
2,103,506	2,103,506	2,787,817	684,311
611,927,376	611,927,376	614,408,788	2,481,412
70,868,937	90,868,940	84,799,011	6,069,929
135,091,842	135,091,842	137,655,423	(2,563,581)
1,611,000	1,611,000	334,870	1,276,130
7,486,227	7,486,227	7,258,464	227,763
25,383,161	25,383,158	24,995,602	387,556
116,600,066	116,600,066	104,487,020	12,113,046
3,624,000	3,624,000	1,317,370	2,306,630
360,665,233	380,665,233	360,847,760	19,817,473
251,262,143	231,262,143	253,561,028	22,298,885
-	20,000,000	20,000,000	-
-	-	-	-
10,839,551	10,839,551	-	(10,839,551)
2,527,470	2,527,470	2,527,470	-
(270,267,719)	(270,267,719)	(266,001,102)	4,266,617
(256,900,698)	(236,900,698)	(243,473,632)	(6,572,934)
(5,638,555)	(5,638,555)	10,087,396	15,725,951
5,638,555	5,638,555	14,516,078	8,877,523
-	-	10,211,835	10,211,835
5,638,555	5,638,555	24,727,913	19,089,358
\$ -	\$ -	\$ 34,815,309	\$ 34,815,309

City of Yonkers, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
REAL PROPERTY TAXES	\$ 301,916,360	\$ 301,916,360	\$ 305,492,125	\$ 3,575,765	\$ 289,233,129
OTHER TAX ITEMS					
Interest and penalties on real property taxes	3,208,902	3,208,902	6,106,449	2,897,547	2,980,080
Payments in lieu of taxes	13,165,000	13,165,000	16,732,105	3,567,105	20,484,594
Real estate transfer taxes	6,063,115	6,063,115	8,214,053	2,150,938	5,856,004
School tax relief reimbursement	37,996,846	37,996,846	37,996,846	-	37,125,647
Supplemental real estate taxes	818,226	818,226	601,464	(216,762)	867,900
	61,252,089	61,252,089	69,650,917	8,398,828	67,314,225
NON-PROPERTY TAXES					
Income taxes	36,340,713	36,340,713	39,894,575	3,553,862	36,034,915
Sales and use taxes	66,442,974	66,442,974	68,321,466	1,878,492	65,611,322
Off-track betting surcharge	279,924	279,924	253,881	(26,043)	299,378
Raceway admissions taxes	21,973	21,973	31,339	9,366	39,615
Raceway impact fees	1,500,000	1,500,000	1,728,790	228,790	4,568,506
Utilities gross receipts taxes	7,212,371	7,212,371	7,202,223	(10,148)	7,044,971
Cable television franchise fees	2,142,844	2,142,844	2,756,765	613,921	2,020,804
	113,940,799	113,940,799	120,189,039	6,248,240	115,619,511
DEPARTMENTAL INCOME					
Executive	40,247	40,247	64,082	23,835	35,183
Development	3,390,552	3,390,552	4,102,335	711,783	3,281,415
Engineering	509,993	509,993	321,912	(188,081)	613,623
Consumer protection	551,484	551,484	660,733	109,249	620,957
Finance	38,790	38,790	90,731	51,941	61,029
Parking Violations Bureau/Courts	16,783,383	16,783,383	14,445,736	(2,337,647)	14,429,958
Civil service fees	19,721	19,721	-	(19,721)	57,754
Legislative	244,037	244,037	211,170	(32,867)	228,413
Parks, recreation and conservation	2,905,650	2,905,650	2,582,072	(323,578)	2,545,634
Police and fire	2,160,319	2,160,319	3,243,683	1,083,364	2,239,571
Public works	487,251	487,251	680,425	193,174	500,367
County prisoner processing	329,578	329,578	426,952	97,374	252,127
Maintenance of State and County roads	473,027	473,027	475,298	2,271	474,493
	27,934,032	27,934,032	27,305,129	(628,903)	25,340,524

USE OF MONEY AND PROPERTY

Earnings on investments	318,344	318,344	224,682	(93,662)	256,191
Rental of real property	528,995	528,995	448,168	(80,827)	466,745

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of real property	423,960	423,960	258,202	(165,758)	-
Sale of equipment	-	-	-	-	19,495

STATE AID

Aid and incentives to municipalities	109,415,479	109,415,479	109,577,174	161,695	107,983,365
Court reimbursements	441,869	441,869	525,893	84,024	416,501
Mortgage tax	4,499,704	4,499,704	5,158,021	658,317	4,766,392
Community mental health	61,773	61,773	167,059	105,286	61,774
Emergency Management Assistance	-	-	513,992	513,992	-
Veteran's services	12,838	12,838	12,982	144	-

FEDERAL AID

Emergency Management Assistance	114,431,663	114,431,663	115,955,121	1,523,458	113,228,032
SAFER Grant	-	-	4,670,853	4,670,853	143,119
Project Safe Neighborhoods Grant	1,004,406	1,004,406	813,965	(190,441)	-
Civil defense	533,643	533,643	399,715	(133,928)	-
	21,450	21,450	-	(21,450)	-

MISCELLANEOUS

Refunds of prior year's expenditures	1,559,499	1,559,499	5,884,533	4,325,034	143,119
Article 5 affordable housing properties	-	-	859,144	859,144	431,849
Other	-	-	-	-	1,500,000
	2,245,639	2,245,639	1,823,523	(422,116)	855,968

TOTAL REVENUES

	2,245,639	2,245,639	2,682,667	437,028	2,787,817
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OTHER FINANCING SOURCES

Bonds issued	624,551,380	624,551,380	648,090,583	23,539,203	614,408,788
Bond anticipation notes issued	-	-	-	-	20,000,000
Transfers in - Water Fund	7,895,324	7,895,324	7,895,324	-	-

TOTAL OTHER FINANCING SOURCES

	7,895,324	14,960,324	14,960,324	-	22,527,470
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TOTAL REVENUES AND

OTHER FINANCING SOURCES	\$ 632,446,704	\$ 639,511,704	\$ 663,050,907	\$ 23,539,203	\$ 636,936,258
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City of Yonkers, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
GENERAL GOVERNMENT SUPPORT					
Legislative					
City Council	\$ 946,908	\$ 946,908	\$ 865,866	\$ 81,042	\$ 890,994
President of City Council	664,528	664,530	609,882	54,648	600,193
City Clerk	662,030	662,030	484,840	177,190	492,029
Elections	459,602	459,602	320,561	139,041	351,630
	2,733,068	2,733,070	2,281,149	451,921	2,334,846
Executive					
Mayor	769,330	769,330	736,393	32,937	732,550
Constituent and veteran's services	735,477	735,477	732,749	2,728	455,467
Personnel and labor relations	2,031,151	2,031,151	2,027,130	4,021	1,857,080
Public and community affairs	432,045	432,046	354,128	77,918	317,361
	3,968,003	3,968,004	3,850,400	117,604	3,362,458
Fiscal services					
Comptroller	2,030,956	2,030,956	2,006,331	24,625	1,790,806
Budget	448,036	448,036	339,039	108,997	136,472
Parking Violations Bureau	3,346,592	3,346,596	3,214,307	132,289	2,971,501
Assessment	956,913	956,913	947,622	9,291	905,397
Office of Licensing	311,754	311,754	330,168	(18,414)	335,587
Inspector General	347,478	347,478	344,222	3,256	308,857
	7,441,729	7,441,733	7,181,689	260,044	6,448,620
Staff Administrative and Advisory					
Corporation Counsel	2,396,856	2,396,856	2,280,903	115,953	2,235,723
Engineering administration	1,490,817	1,490,817	1,443,578	47,239	1,209,616
Purchasing	541,265	541,265	555,892	(14,627)	528,857
Office services	1,914,731	1,914,731	1,696,697	218,034	1,621,644
Management information services	2,891,163	2,891,164	2,495,564	395,600	2,808,797
Traffic engineering and street lighting	740,216	740,215	653,490	86,725	729,098
Public works administration	1,094,510	756,691	676,798	79,893	1,025,126

Production control	693,531	693,531	673,286	20,245	783,176
Dog control	644,837	644,837	609,064	35,773	629,278
	12,407,926	12,070,107	11,085,272	984,835	11,571,315
Shared services					
General services	7,346,172	7,234,803	7,370,459	(135,656)	6,959,872
Vehicle maintenance	7,895,543	7,895,545	7,295,248	600,297	6,967,517
	15,241,715	15,130,348	14,665,707	464,641	13,927,389
Special items					
Taxes on City property	2,836,549	2,836,549	2,804,122	32,427	3,020,450
Tax remissions	900,000	900,000	1,802,028	(902,028)	1,088,011
Senior citizen tax exemption	350,355	350,355	295,082	55,273	375,003
Reserve for uncollected taxes	19,273,897	19,273,897	16,872,471	2,401,426	13,191,453
Bond and note issuance costs	126,000	126,000	86,325	39,675	270,793
Municipal dues	25,000	25,000	19,473	5,527	35
Tenants' act	170,700	170,700	167,400	3,300	168,800
Judgments and claims	1,000,000	1,000,000	2,913,357	(1,913,357)	1,207,128
Assessment review and repayments	500,000	7,565,000	7,565,000	-	20,500,000
Termination payments	2,977,490	2,977,490	2,095,242	882,248	2,869,437
Fiscal agent banking fees	20,000	20,000	-	20,000	-
Yonkers Historical Society	10,000	10,000	10,000	-	10,000
Green Policy Task Force	10,000	10,000	462	9,538	13,502
Tax advertising	59,353	59,353	59,353	-	-
School crossing guards	200,000	200,000	153,717	46,283	-
YMCA/SNUG Grant	100,000	200,000	200,000	-	-
Metropolitan commuter transportation mobility tax	723,883	723,883	593,627	130,256	690,425
Litigation costs	1,294,408	1,286,529	1,049,626	236,903	1,494,570
Administrative charge - Income tax	300,000	300,000	352,095	(52,095)	309,236
Grant cash match	550,000	382,879	339,768	43,111	52,169
Annual audit and review	365,400	365,400	365,400	-	415,400
Buena Vista parking garage	284,000	284,000	284,000	-	172,423
Larkin parking garage	2,500,000	2,500,000	-	2,500,000	-
Board of Ethics	25,000	25,000	-	25,000	-
Affordable housing subsidies	1,240,000	1,240,000	954,846	285,154	1,305,548
	35,842,035	42,832,035	38,983,394	3,848,641	47,154,383
Total General Government Support	77,634,476	84,175,297	78,047,611	6,127,686	84,799,011

(Continued)

City of Yonkers, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
PUBLIC SAFETY					
Police department	\$ 78,804,377	\$ 78,795,059	\$ 79,173,837	\$ (378,778)	\$ 80,302,854
Fire prevention and control					
Administration	1,760,186	1,760,186	1,638,029	122,157	1,382,716
Fire fighting	49,617,590	49,617,591	54,052,024	(4,434,433)	52,120,517
Communications	352,264	352,264	269,545	82,719	341,032
Prevention	1,486,691	1,486,691	1,280,379	206,312	1,080,911
	53,216,731	53,216,732	57,239,977	(4,023,245)	54,925,176
Other protection					
Bureau of Housing and Buildings	2,661,084	2,673,619	2,461,135	212,484	2,427,393
Total Public Safety	134,682,192	134,685,410	138,874,949	(4,189,539)	137,655,423
TRANSPORTATION					
Snow and ice control	1,565,148	1,565,148	1,005,669	559,479	334,870
CULTURE AND RECREATION					
Parks administration	943,572	943,572	835,805	107,767	666,336
Parks maintenance	3,955,782	3,955,783	3,989,192	(33,409)	3,896,818
Recreation and playgrounds	2,090,527	2,165,527	1,969,884	195,643	1,963,180
Museum	158,940	158,940	156,940	2,000	176,600
Community centers	326,078	326,078	323,926	2,152	306,344
Community services	-	-	-	-	8,312
Youth service agencies	120,497	120,497	122,560	(2,063)	240,874
Total Culture and Recreation	7,595,396	7,670,397	7,398,307	272,090	7,258,464

HOME AND COMMUNITY SERVICES

General environment					
Development administration	447,444	456,750	296,130	160,620	412,509
Planning	343,729	343,729	332,384	11,345	336,968
Human rights	160,000	160,000	2,390	157,610	-
Office for the aging	431,892	431,892	314,141	117,751	278,151
Economic development	295,000	295,000	261,779	33,221	322,149
Downtown and waterfront development	378,013	378,013	354,864	23,149	227,371
Housing and community redevelopment	-	-	-	-	92,865
Affordable housing	175,000	175,000	174,693	307	342,946
Sanitation					
Refuse collection	2,231,078	2,240,384	1,736,381	504,003	2,012,959
Refuse disposal/City cleaning	8,981,131	8,981,131	9,110,855	(129,724)	9,144,943
	12,636,475	13,073,128	11,909,989	1,163,139	12,434,821
Community Environment - Shade Tree Bureau					
	21,617,606	22,054,259	21,020,844	1,033,415	21,579,764
	1,336,056	1,336,055	1,465,136	(129,081)	1,402,879
Total Home and Community Services	25,184,740	25,630,698	24,222,361	1,408,337	24,995,602
EMPLOYEE BENEFITS					
State retirement	10,394,911	10,265,878	9,464,084	801,794	7,301,151
Police and fire retirement	30,874,425	31,003,459	30,922,955	80,504	24,692,749
Disabled firefighters' 207A supplemental pension	1,760,426	1,760,426	1,775,972	(15,546)	1,797,318
Policemen's and firemen's local pension funds	145,000	145,000	94,975	50,025	113,100
Social security and Medicare	13,348,217	14,074,717	14,038,633	36,084	13,841,617
Life, health and dental insurance	46,801,986	46,075,485	45,334,521	740,964	43,183,803
Unemployment benefits	600,000	600,000	210,934	389,066	199,927
Workers' compensation	10,577,877	10,577,879	10,573,153	4,726	10,474,964
Trust and welfare payments	3,195,765	3,195,765	3,160,055	35,710	2,882,391
Total Employee Benefits	117,698,607	117,698,609	115,575,282	2,123,327	104,487,020
DEBT SERVICE					
Interest					
Bond anticipation notes	-	-	12,578	(12,578)	446,533
Revenue anticipation notes	1,800,000	1,800,000	620,309	1,179,691	870,837
	1,800,000	1,800,000	632,887	1,167,113	1,317,370
TOTAL EXPENDITURES	366,160,559	373,225,559	365,757,066	7,468,493	360,847,760

(Continued)

City of Yonkers, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
OTHER FINANCING USES					
Transfers out					
Education Fund	\$ 227,299,649	\$ 227,299,649	\$ 227,299,649	\$ -	\$ 224,749,240
Capital Projects Fund	-	-	-	-	785,000
Water Fund	3,240,824	3,240,824	3,240,824	-	3,554,197
Public Library Fund	8,414,809	8,414,809	8,414,809	-	8,581,197
Debt Service Fund	38,156,442	38,156,442	38,275,146	(118,704)	28,331,468
TOTAL OTHER FINANCING USES	277,111,724	277,111,724	277,230,428	(118,704)	266,001,102
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 643,272,283	\$ 650,337,283	\$ 642,987,494	\$ 7,349,789	\$ 626,848,862

City of Yonkers, New York

Education Fund
Comparative Balance Sheet
June 30,

	2013	2012
ASSETS		
Cash and equivalents	\$ -	\$ 200
Receivables		
Accounts	4,720,997	4,218,325
State and Federal aid	69,440,863	70,575,924
Due from other funds	16,296,535	31,965,748
Advances to other funds	-	1,000,000
	<u>90,458,395</u>	<u>107,759,997</u>
Total Assets	<u>\$ 90,458,395</u>	<u>\$ 107,760,197</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 20,667,190	\$ 259,268
Accrued liabilities	16,490,940	24,673,813
Due to other governments	3,986,207	8,223,604
Due to other funds	2,194,176	14,099
Unearned revenues	1,547,827	1,557,148
Due to retirement systems	30,698,028	30,506,502
Overpayments	252,018	-
Total Liabilities	<u>75,836,386</u>	<u>65,234,434</u>
Fund balance		
Restricted	-	1,000,000
Committed	-	4,850,000
Assigned	14,622,009	36,675,763
Total Fund Balance	<u>14,622,009</u>	<u>42,525,763</u>
Total Liabilities and Fund Balance	<u>\$ 90,458,395</u>	<u>\$ 107,760,197</u>

City of Yonkers, New York

Education Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for services	\$ 392,119	\$ 392,119	\$ 493,951	\$ 101,832
Use of money and property	135,446	135,446	434,821	299,375
Forfeitures	5,000	5,000	6,750	1,750
Sale of property and compensation for loss	33,981	33,981	-	(33,981)
Interfund revenues	1,126,446	1,126,446	802,375	(324,071)
State aid	260,841,329	260,841,329	233,929,722	(26,911,607)
Federal aid	20,000	20,000	281,903	261,903
Miscellaneous	3,200,391	3,200,391	5,736,003	2,535,612
Total Revenues	265,754,712	265,754,712	241,685,525	(24,069,187)
EXPENDITURES				
Current				
Education				
General Support				
Board of Education	230,544	230,544	227,212	3,332
Central administration	568,365	568,365	569,620	(1,255)
Finance	4,515,353	6,150,353	4,417,525	1,732,828
Staff	3,353,322	3,412,522	2,844,476	568,046
Central services	42,700,168	41,709,256	37,085,933	4,623,323
Special items	676,000	676,000	670,931	5,069
Total General Support	52,043,752	52,747,040	45,815,697	6,931,343
Instruction				
Instruction, administration and improvement	23,500,552	23,605,440	24,350,332	(744,892)
Teaching - Regular school Programs for children with handicapping conditions	156,598,866	160,274,132	158,932,800	1,341,332
Occupational education	66,609,043	66,296,188	63,158,780	3,137,408
Teaching - Special schools	8,960,397	8,787,277	8,182,049	605,228
Instructional media	-	-	-	-
Pupil services	2,185,717	2,447,774	2,202,467	245,307
	12,257,524	12,328,747	13,322,097	(993,350)
Total Instruction	270,112,099	273,739,558	270,148,525	3,591,033
Pupil Transportation	41,635,659	37,935,659	37,078,229	857,430
Total Education	363,791,510	364,422,257	353,042,451	11,379,806
Employee Benefits	125,798,726	125,167,979	119,663,633	5,504,346
Debt service				
Principal	987,331	987,331	987,331	-
Interest	664,213	664,213	664,213	-
	1,651,544	1,651,544	1,651,544	-
Total Expenditures	491,241,780	491,241,780	474,357,628	16,884,152
Deficiency of Revenues Over Expenditures	(225,487,068)	(225,487,068)	(232,672,103)	(7,185,035)
OTHER FINANCING SOURCES (USES)				
State loan issued	-	-	-	-
Transfers in	224,749,240	224,749,240	224,749,240	-
Transfers out	(19,818,175)	(19,818,175)	(19,980,891)	(162,716)
Total Other Financing Sources	204,931,065	204,931,065	204,768,349	(162,716)
Net Change in Fund Balance	(20,556,003)	(20,556,003)	(27,903,754)	(7,347,751)
FUND BALANCE				
Beginning of Year	20,556,003	20,556,003	42,525,763	21,969,760
End of Year	\$ -	\$ -	\$ 14,622,009	\$ 14,622,009

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 418,580	\$ 418,580	\$ 488,747	\$ 70,167
130,000	130,000	371,909	241,909
5,000	5,000	1,600	(3,400)
-	-	307,875	307,875
1,056,516	1,056,516	930,311	(126,205)
246,785,551	246,785,551	249,395,366	2,609,815
20,000	20,000	75,522	55,522
4,061,976	4,061,976	4,062,569	593
252,477,623	252,477,623	255,633,899	3,156,276
228,684	228,684	225,129	3,555
602,506	587,563	581,342	6,221
5,514,480	5,113,928	3,236,762	1,877,166
3,307,873	3,549,772	2,905,264	644,508
40,365,782	40,772,237	34,730,601	6,041,636
760,000	650,971	650,919	52
50,779,325	50,903,155	42,330,017	8,573,138
22,991,348	22,957,574	22,717,842	239,732
145,040,831	150,691,944	146,616,535	4,075,409
62,026,327	63,584,488	60,957,842	2,626,646
8,318,818	7,917,147	7,987,351	(70,204)
875,000	672,305	321,128	351,177
2,193,870	2,430,457	1,832,670	597,787
11,914,445	12,501,991	11,477,305	1,024,686
253,360,639	260,755,906	251,910,673	8,845,233
43,399,749	39,880,651	35,995,914	3,884,737
347,539,713	351,539,712	330,236,604	21,303,108
126,082,010	122,042,727	118,132,533	3,910,194
829,653	932,775	932,774	1
885,440	782,318	703,204	79,114
1,715,093	1,715,093	1,635,978	79,115
475,336,816	475,297,532	450,005,115	25,292,417
(222,859,193)	(222,819,909)	(194,371,216)	28,448,693
1,174,013	1,174,013	-	(1,174,013)
224,749,240	224,749,240	224,749,240	-
(19,720,996)	(19,760,280)	(20,604,771)	(844,491)
206,202,257	206,162,973	204,144,469	(2,018,504)
(16,656,936)	(16,656,936)	9,773,253	26,430,189
16,656,936	16,656,936	32,752,510	16,095,574
\$ -	\$ -	\$ 42,525,763	\$ 42,525,763

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City of Yonkers, New York

Education Special Aid Fund
Comparative Balance Sheet
June 30,

	2013	2012
ASSETS		
Receivables		
State and Federal aid	\$ 22,282,740	\$ 16,912,688
Due from other funds	-	257,249
Total Assets	<u>\$ 22,282,740</u>	<u>\$ 17,169,937</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,124,556	\$ -
Accrued liabilities	104,807	2,402,376
Due to other governments	1,192,472	854,035
Due to other funds	<u>17,860,905</u>	<u>13,913,526</u>
Total Liabilities	<u>22,282,740</u>	<u>17,169,937</u>
Fund balance		
Assigned	-	193,100
Unassigned	<u>-</u>	<u>(193,100)</u>
Total Fund Balance	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 22,282,740</u>	<u>\$ 17,169,937</u>

City of Yonkers, New York

Education Special Aid Fund

**Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,**

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 14,273,769	\$ 14,559,061	\$ 12,052,633	\$ (2,506,428)
Federal aid	35,951,988	39,752,062	28,066,110	(11,685,952)
Miscellaneous	433,747	433,747	286,332	(147,415)
Total Revenues	50,659,504	54,744,870	40,405,075	(14,339,795)
EXPENDITURES				
Current				
Education	50,318,162	54,118,235	39,717,687	14,400,548
Employee benefits	1,357,635	1,357,635	1,351,550	6,085
Total Expenditures	51,675,797	55,475,870	41,069,237	14,406,633
Deficiency of Revenues Over Expenditures	(1,016,293)	(731,000)	(664,162)	66,838
OTHER FINANCING SOURCES				
Transfers in	1,016,293	731,000	664,162	(66,838)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,560,758	\$ 11,560,758	\$ 11,782,391	\$ 221,633
38,696,096	38,406,812	31,086,527	(7,320,285)
319,842	319,842	250,526	(69,316)
50,576,696	50,287,412	43,119,444	(7,167,968)
43,336,529	43,336,529	37,064,050	6,272,479
7,970,204	7,970,204	7,919,206	50,998
51,306,733	51,306,733	44,983,256	6,323,477
(730,037)	(1,019,321)	(1,863,812)	(844,491)
730,037	1,019,321	1,863,812	844,491
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

City of Yonkers, New York

Community Development Fund
Combining Balance Sheet - Sub Funds
June 30, 2013
(With Comparative Actuals for 2012)

	Block Grant Fund	Community Development Agency Fund	Section 108 Fund
ASSETS			
Cash and equivalents	\$ 2,135,764	\$ 607,457	\$ 644,930
Restricted cash	-	342,824	-
Receivables			
Accounts	211,612	-	-
State and Federal aid	1,980,827	-	-
Loans	11,789,859	-	-
Loans - Component unit	1,839,408	-	-
Due from other funds	12,406,847	163,379	2,381,832
	28,228,553	163,379	2,381,832
Total Assets	\$ 30,364,317	\$ 1,113,660	\$ 3,026,762
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 472,259	\$ 31,919	\$ -
Accrued liabilities	36,597	-	-
Due to other governments	10,612,000	-	-
Revenue anticipation notes payable	-	-	-
Due to other funds	14,420,774	119,418	721,472
Advances from other funds	2,730,129	-	-
Unearned revenues	2,134,306	159,150	-
Total Liabilities	30,406,065	310,487	721,472
Fund balances (deficits)			
Nonspendable	2,730,129	-	-
Assigned	(2,771,877)	803,173	2,305,290
Total Fund Balances (Deficits)	(41,748)	803,173	2,305,290
Total Liabilities and Fund Balances (Deficits)	\$ 30,364,317	\$ 1,113,660	\$ 3,026,762

HOME Program Fund	Totals	
	2013	2012
\$ 913,566	\$ 4,301,717	\$ 2,915,161
-	342,824	342,328
-	211,612	438,612
168,157	2,148,984	2,172,384
2,783,766	14,573,625	15,202,690
-	1,839,408	2,095,421
6,933,060	21,885,118	16,305,340
9,884,983	40,658,747	36,214,447
<u>\$ 10,798,549</u>	<u>\$ 45,303,288</u>	<u>\$ 39,471,936</u>
\$ 28,816	\$ 532,994	\$ 570,833
-	36,597	31,019
-	10,612,000	11,287,000
-	-	2,500,000
6,914,773	22,176,437	14,062,293
-	2,730,129	3,060,621
2,965,515	5,258,971	4,650,388
9,909,104	41,347,128	36,162,154
-	2,730,129	3,060,621
889,445	1,226,031	249,161
889,445	3,956,160	3,309,782
<u>\$ 10,798,549</u>	<u>\$ 45,303,288</u>	<u>\$ 39,471,936</u>

City of Yonkers, New York

Community Development Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub Funds
Year Ended June 30, 2013
(With Comparative Actuals for 2012)

	Block Grant Fund	Community Development Agency Fund	Section 108 Fund
REVENUES			
Departmental income	\$ 302,884	\$ -	\$ -
Use of money and property	6,703	15,077	19
Sale of property and compensation for loss	-	216,550	-
Federal aid	3,621,519	-	-
Total Revenues	3,931,106	231,627	19
EXPENDITURES			
Current			
Home and community services	3,991,967	151,453	-
Excess (Deficiency) of Revenues Over Expenditures	(60,861)	80,174	19
OTHER FINANCING SOURCES			
Loans issued	-	-	-
Net Change in Fund Balances	(60,861)	80,174	19
FUND BALANCES (DEFICITS)			
Beginning of Year	19,113	722,999	2,305,271
End of Year	<u>\$ (41,748)</u>	<u>\$ 803,173</u>	<u>\$ 2,305,290</u>

HOME Program Fund	Totals	
	2013	2012
\$ 614,291	\$ 917,175	\$ 898,299
1,882	23,681	10,397
-	216,550	-
740,730	4,362,249	7,743,627
1,356,903	5,519,655	8,652,323
729,857	4,873,277	8,750,302
627,046	646,378	(97,979)
-	-	341,770
627,046	646,378	243,791
262,399	3,309,782	3,065,991
<u>\$ 889,445</u>	<u>\$ 3,956,160</u>	<u>\$ 3,309,782</u>

City of Yonkers, New YorkCity Capital Projects Fund
Comparative Balance Sheet
June 30,

	2013	2012
ASSETS		
Cash and equivalents	\$ -	\$ 15,228,010
Investments	105,802,148	80,004,608
Accounts receivable	670,372	-
Total Assets	<u>\$ 106,472,520</u>	<u>\$ 95,232,618</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,169,698	\$ 4,307,995
Accrued liabilities	345,537	18,450
Retainages payable	1,298,133	1,351,415
Bond anticipation notes payable	-	975,000
Due to other funds	51,755,600	49,630,427
Unearned revenues	335,607	351,137
Total Liabilities	55,904,575	56,634,424
Fund balance		
Restricted	50,567,945	38,598,194
Total Liabilities and Fund Balance	<u>\$ 106,472,520</u>	<u>\$ 95,232,618</u>

City of Yonkers, New York

City Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2013</u>	<u>2012</u>
REVENUES		
Miscellaneous	\$ 1,075,530	\$ 248,935
EXPENDITURES		
Capital outlay	<u>20,996,378</u>	<u>39,982,179</u>
Deficiency of Revenues Over Expenditures	<u>(19,920,848)</u>	<u>(39,733,244)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	30,330,000	49,930,000
Issuance premium	1,560,599	4,814,408
Transfers in	<u>-</u>	<u>785,000</u>
Total Other Financing Sources	<u>31,890,599</u>	<u>55,529,408</u>
Net Change in Fund Balance	11,969,751	15,796,164
FUND BALANCE		
Beginning of Year	<u>38,598,194</u>	<u>22,802,030</u>
End of Year	<u><u>\$ 50,567,945</u></u>	<u><u>\$ 38,598,194</u></u>

City of Yonkers, New York

Education Capital Projects Fund
Comparative Balance Sheet
June 30,

	2013	2012
ASSETS		
Receivables		
Accounts	\$ -	\$ 60
State and Federal aid	48,759	48,759
Due from other funds	47,198,918	90,694,195
Total Assets	<u>\$ 47,247,677</u>	<u>\$ 90,743,014</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,126,053	\$ 16,344
Accrued liabilities	406,346	651,082
Retainages payable	531,349	508,295
Due to other funds	422,865	56,357,955
Total Liabilities	<u>3,486,613</u>	<u>57,533,676</u>
Fund balance		
Restricted	43,761,064	-
Assigned	-	33,209,338
Total Fund Balance	<u>43,761,064</u>	<u>33,209,338</u>
Total Liabilities and Fund Balance	<u>\$ 47,247,677</u>	<u>\$ 90,743,014</u>

City of Yonkers, New York**Education Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,**

	<u>2013</u>	<u>2012</u>
REVENUES		
State aid	\$ -	\$ 41,261
EXPENDITURES		
Capital outlay	<u>17,295,776</u>	<u>6,237,494</u>
Deficiency of Revenues Over Expenditures	<u>(17,295,776)</u>	<u>(6,196,233)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	26,590,000	27,555,000
Issuance premium	1,257,502	348,183
Issuance costs	<u>-</u>	<u>(170,223)</u>
Total Other Financing Sources	<u>27,847,502</u>	<u>27,732,960</u>
Net Change in Fund Balance	10,551,726	21,536,727
FUND BALANCE		
Beginning of Year	<u>33,209,338</u>	<u>11,672,611</u>
End of Year	<u>\$ 43,761,064</u>	<u>\$ 33,209,338</u>

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Sewer Fund** - The Sewer Fund was established pursuant to the General Municipal Law of the State of New York and is used to account for sewer operations financed by sewer rents.
- **Water Fund** - The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public.
- **Public Library Fund** - The Public Library Fund was established pursuant to the Education Law of the State of New York and is used to account for the operations of the City's library system.
- **School Lunch Fund** - The School Lunch Fund is used to record the operations of the breakfast and lunch programs operated by the School District.
- **City Grants Fund** - The City Grants Fund is used to record the financial activity of certain federal and state funded City grant programs.
- **Special Purpose Fund** - The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.

DEBT SERVICE FUNDS

- **City Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years for the City.
- **Education Debt Service Fund** - The Education Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years for the School District.

City of Yonkers, New York

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2013

(With Comparative Actuals for 2012)

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
			2013	2012
ASSETS				
Cash and Equivalents	\$ 2,429,454	\$ 19,776,450	\$ 22,205,904	\$ 2,413,296
Investments	351,754	11,961	363,715	368,370
Receivables				
Accounts	24,921,050	-	24,921,050	22,470,567
State and Federal aid	8,397,228	-	8,397,228	8,875,158
Due from other funds	857,964	2,093,422	2,951,386	4,105,939
	34,176,242	2,093,422	36,269,664	35,451,664
Inventories	129,633	-	129,633	158,853
Total Assets	<u>\$ 37,087,083</u>	<u>\$ 21,881,833</u>	<u>\$ 58,968,916</u>	<u>\$ 38,392,183</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 6,048,158	\$ -	\$ 6,048,158	\$ 7,600,369
Accrued liabilities	2,113,537	-	2,113,537	822,331
Retainages payable	-	-	-	4,836
Due to other funds	19,079,910	20,335,223	39,415,133	17,586,990
Advances from other funds	-	-	-	1,000,000
Unearned revenues	3,366,752	-	3,366,752	5,098,144
Due to retirement systems	126,005	-	126,005	554,016
Total Liabilities	30,734,362	20,335,223	51,069,585	32,666,686
Fund balances (deficits)				
Nonspendable	129,633	-	129,633	158,853
Restricted	1,029,933	1,546,610	2,576,543	1,177,812
Assigned	5,362,964	-	5,362,964	4,518,985
Unassigned	(169,809)	-	(169,809)	(130,153)
Total Fund Balances	6,352,721	1,546,610	7,899,331	5,725,497
Total Liabilities and Fund Balances	<u>\$ 37,087,083</u>	<u>\$ 21,881,833</u>	<u>\$ 58,968,916</u>	<u>\$ 38,392,183</u>

City of Yonkers, New York

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 2013
(With Comparative Actuals for 2012)

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
			2013	2012
REVENUES				
Other tax items	\$ 5,928,692	\$ -	\$ 5,928,692	\$ 4,711,927
Departmental income	31,328,203	-	31,328,203	28,106,777
Charges for services	793,421	-	793,421	1,677,908
Use of money and property	-	13,352	13,352	17,948
State aid	8,908,854	-	8,908,854	4,750,278
Federal aid	16,367,272	-	16,367,272	13,064,614
Food sales	1,989,735	-	1,989,735	2,122,494
Miscellaneous	339,330	-	339,330	973,106
Total Revenues	65,655,507	13,352	65,668,859	55,425,052
EXPENDITURES				
Current				
Public safety	5,969,477	-	5,969,477	5,371,120
Transportation	943,795	-	943,795	1,233,035
Culture and recreation	7,917,323	-	7,917,323	7,834,992
Home and community services	36,558,036	-	36,558,036	31,155,018
Employee benefits	1,884,166	-	1,884,166	1,929,359
Cost of food sales	7,088,976	-	7,088,976	6,996,278
Debt service				
Principal	-	43,957,519	43,957,519	52,370,633
Interest	-	23,078,326	23,078,326	17,710,416
Refunding bond issuance costs	-	351,624	351,624	-
Total Expenditures	60,361,773	67,387,469	127,749,242	124,600,851
Excess (Deficiency) of Revenues Over Expenditures	5,293,734	(67,374,117)	(62,080,383)	(69,175,799)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	49,150,000	49,150,000	-
Payment to refunded bond escrow agent	-	(51,868,274)	(51,868,274)	-
Issuance premium	-	3,069,898	3,069,898	-
Bonds issued	-	-	-	15,645,000
Transfers in	11,905,633	68,106,932	80,012,565	67,049,602
Transfers out	(16,109,972)	-	(16,109,972)	(10,369,251)
Total Other Financing Sources (Uses)	(4,204,339)	68,458,556	64,254,217	72,325,351
Net Change in Fund Balances	1,089,395	1,084,439	2,173,834	3,149,552
FUND BALANCES				
Beginning of Year	5,263,326	462,171	5,725,497	2,575,945
End of Year	<u>\$ 6,352,721</u>	<u>\$ 1,546,610</u>	<u>\$ 7,899,331</u>	<u>\$ 5,725,497</u>

City of Yonkers, New York

Non-Major Special Revenue Funds

Combining Balance Sheet

June 30, 2013

(With Comparative Actuals for 2012)

	Sewer	Water	Public Library
ASSETS			
Cash and equivalents	\$ -	\$ -	\$ 1,591,908
Investments	-	-	-
Receivables			
Accounts	4,302,623	20,523,808	500
State and Federal aid	-	-	-
Due from other funds	-	-	-
	<u>4,302,623</u>	<u>20,523,808</u>	<u>500</u>
Inventories	-	-	-
Total Assets	<u>\$ 4,302,623</u>	<u>\$ 20,523,808</u>	<u>\$ 1,592,408</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 54,640	\$ 4,471,087	\$ 238,561
Accrued liabilities	4,200	1,863,445	29,054
Retainages payable	-	-	-
Due to other funds	3,579,663	9,804,254	1,010,971
Advances from other funds	-	-	-
Unearned revenues	-	-	-
Due to retirement systems	-	-	-
Total Liabilities	<u>3,638,503</u>	<u>16,138,786</u>	<u>1,278,586</u>
Fund balances (deficits)			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	664,120	4,385,022	313,822
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>664,120</u>	<u>4,385,022</u>	<u>313,822</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 4,302,623</u>	<u>\$ 20,523,808</u>	<u>\$ 1,592,408</u>

School Lunch	City Grants	Special Purpose	Total Non-Major Special Revenue Funds	
			2013	2012
\$ -	\$ -	\$ 837,546	\$ 2,429,454	\$ 2,413,296
-	-	351,754	351,754	350,585
88,686	-	5,433	24,921,050	22,470,567
538,686	7,858,542	-	8,397,228	8,875,158
857,964	-	-	857,964	3,620,543
1,485,336	7,858,542	5,433	34,176,242	34,966,268
129,633	-	-	129,633	158,853
<u>\$ 1,614,969</u>	<u>\$ 7,858,542</u>	<u>\$ 1,194,733</u>	<u>\$ 37,087,083</u>	<u>\$ 37,889,002</u>
\$ 466,361	\$ 652,709	\$ 164,800	\$ 6,048,158	\$ 7,600,369
62,779	154,059	-	2,113,537	822,331
-	-	-	-	4,836
1,000,000	3,685,022	-	19,079,910	17,545,980
-	-	-	-	1,000,000
-	3,366,752	-	3,366,752	5,098,144
126,005	-	-	126,005	554,016
1,655,145	7,858,542	164,800	30,734,362	32,625,676
129,633	-	-	129,633	158,853
-	-	1,029,933	1,029,933	1,136,989
-	-	-	5,362,964	4,097,637
(169,809)	-	-	(169,809)	(130,153)
(40,176)	-	1,029,933	6,352,721	5,263,326
<u>\$ 1,614,969</u>	<u>\$ 7,858,542</u>	<u>\$ 1,194,733</u>	<u>\$ 37,087,083</u>	<u>\$ 37,889,002</u>

City of Yonkers, New York

Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 2013
(With Comparative Actuals for 2012)

	Sewer	Water	Public Library
REVENUES			
Other tax items	\$ -	\$ 5,928,692	\$ -
Departmental income	5,328,957	25,615,713	108,832
Charges for services	-	89,665	-
State aid	-	-	65,774
Federal aid	-	-	-
Food sales	-	-	-
Miscellaneous	-	-	2,302
Total Revenues	5,328,957	31,634,070	176,908
EXPENDITURES			
Current			
Public safety	-	-	-
Transportation	-	-	-
Culture and recreation	-	-	7,506,038
Home and community services	1,720,476	22,196,078	-
Employee benefits	-	-	-
Cost of food sales	-	-	-
Total Expenditures	1,720,476	22,196,078	7,506,038
Excess (Deficiency) of Revenues Over Expenditures	3,608,481	9,437,992	(7,329,130)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,240,824	8,414,809
Transfers out	(3,946,748)	(11,136,148)	(1,010,971)
Total Other Financing Sources (Uses)	(3,946,748)	(7,895,324)	7,403,838
Net Change in Fund Balances	(338,267)	1,542,668	74,708
FUND BALANCES (DEFICITS)			
Beginning of Year	1,002,387	2,842,354	239,114
End of Year	\$ 664,120	\$ 4,385,022	\$ 313,822

School Lunch	City Grants	Special Purpose	Total Non-Major Special Revenue Funds	
			2013	2012
\$ -	\$ -	\$ -	\$ 5,928,692	\$ 4,711,927
-	274,701	-	31,328,203	28,106,777
-	703,756	-	793,421	1,677,908
200,489	8,642,591	-	8,908,854	4,750,278
6,466,365	9,900,907	-	16,367,272	13,064,614
1,989,735	-	-	1,989,735	2,122,494
-	141,661	195,367	339,330	973,106
<u>8,656,589</u>	<u>19,663,616</u>	<u>195,367</u>	<u>65,655,507</u>	<u>55,407,104</u>
-	5,969,477	-	5,969,477	5,371,120
-	943,795	-	943,795	1,233,035
-	108,862	302,423	7,917,323	7,834,992
-	12,641,482	-	36,558,036	31,155,018
1,884,166	-	-	1,884,166	1,929,359
7,088,976	-	-	7,088,976	6,996,278
<u>8,973,142</u>	<u>19,663,616</u>	<u>302,423</u>	<u>60,361,773</u>	<u>54,519,802</u>
<u>(316,553)</u>	<u>-</u>	<u>(107,056)</u>	<u>5,293,734</u>	<u>887,302</u>
250,000	-	-	11,905,633	12,135,394
(16,105)	-	-	(16,109,972)	(10,369,251)
<u>233,895</u>	<u>-</u>	<u>-</u>	<u>(4,204,339)</u>	<u>1,766,143</u>
(82,658)	-	(107,056)	1,089,395	2,653,445
<u>42,482</u>	<u>-</u>	<u>1,136,989</u>	<u>5,263,326</u>	<u>2,609,881</u>
<u>\$ (40,176)</u>	<u>\$ -</u>	<u>\$ 1,029,933</u>	<u>\$ 6,352,721</u>	<u>\$ 5,263,326</u>

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City of Yonkers, New York

Sewer Fund

Comparative Balance Sheet

June 30,

	<u>2013</u>	<u>2012</u>
ASSETS		
Accounts receivable	<u>\$ 4,302,623</u>	<u>\$ 4,423,399</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 54,640	\$ 29,607
Accrued liabilities	4,200	16,808
Due to other funds	<u>3,579,663</u>	<u>3,374,597</u>
Total Liabilities	3,638,503	3,421,012
Fund balance		
Assigned	<u>664,120</u>	<u>1,002,387</u>
Total Liabilities and Fund Balance	<u>\$ 4,302,623</u>	<u>\$ 4,423,399</u>

City of Yonkers, New York

Sewer Fund

**Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,**

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 5,677,539	\$ 5,677,539	\$ 5,328,957	\$ (348,582)
EXPENDITURES				
Current				
Home and community services	1,744,218	1,744,218	1,720,476	23,742
Excess of Revenues Over Expenditures	3,933,321	3,933,321	3,608,481	(324,840)
OTHER FINANCING USES				
Transfers out	(3,946,748)	(3,946,748)	(3,946,748)	-
Net Change in Fund Balance	(13,427)	(13,427)	(338,267)	(324,840)
FUND BALANCE				
Beginning of Year	13,427	13,427	1,002,387	988,960
End of Year	\$ -	\$ -	\$ 664,120	\$ 664,120

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,062,069	\$ 5,062,069	\$ 4,919,333	\$ (142,736)
1,777,102	1,777,102	1,303,004	474,098
3,284,967	3,284,967	3,616,329	331,362
(3,554,197)	(3,554,197)	(3,554,197)	-
(269,230)	(269,230)	62,132	331,362
269,230	269,230	940,255	671,025
\$ -	\$ -	\$ 1,002,387	\$ 1,002,387

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City of Yonkers, New York

Water Fund

Comparative Balance Sheet

June 30,

	2013	2012
ASSETS		
Accounts receivable	<u>\$ 20,523,808</u>	<u>\$ 18,042,414</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 4,471,087	\$ 5,608,938
Accrued liabilities	1,863,445	79,448
Retainages payable	-	4,836
Due to other funds	<u>9,804,254</u>	<u>9,506,838</u>
Total Liabilities	16,138,786	15,200,060
Fund Balance		
Assigned	<u>4,385,022</u>	<u>2,842,354</u>
Total Liabilities and Fund Balance	<u>\$ 20,523,808</u>	<u>\$ 18,042,414</u>

City of Yonkers, New York

Water Fund

**Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,**

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Other tax items	\$ 4,669,002	\$ 4,669,002	\$ 5,928,692	\$ 1,259,690
Departmental income	25,640,732	25,640,732	25,615,713	(25,019)
Charges for services	122,168	122,168	89,665	(32,503)
Total Revenues	30,431,902	30,431,902	31,634,070	1,202,168
EXPENDITURES				
Current				
Home and community services	22,709,539	22,709,539	22,196,078	513,461
Excess of Revenues Over Expenditures	7,722,363	7,722,363	9,437,992	1,715,629
OTHER FINANCING SOURCES (USES)				
Transfers in	3,240,824	3,240,824	3,240,824	-
Transfers out	(11,136,148)	(11,136,148)	(11,136,148)	-
Total Other Financing Uses	(7,895,324)	(7,895,324)	(7,895,324)	-
Net Change in Fund Balance	(172,961)	(172,961)	1,542,668	1,715,629
FUND BALANCE				
Beginning of Year	172,961	172,961	2,842,354	2,669,393
End of Year	\$ -	\$ -	\$ 4,385,022	\$ 4,385,022

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,672,812	\$ 4,672,812	\$ 4,711,927	\$ 39,115
19,931,708	19,931,708	22,226,396	2,294,688
120,695	120,695	237,908	117,213
24,725,215	24,725,215	27,176,231	2,451,016
22,772,267	22,772,267	22,380,869	391,398
1,952,948	1,952,948	4,795,362	2,842,414
3,554,197	3,554,197	3,554,197	-
(5,814,395)	(5,814,395)	(5,814,395)	-
(2,260,198)	(2,260,198)	(2,260,198)	-
(307,250)	(307,250)	2,535,164	2,842,414
307,250	307,250	307,190	(60)
\$ -	\$ -	\$ 2,842,354	\$ 2,842,354

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City of Yonkers, New York

Public Library Fund
Comparative Balance Sheet
June 30,

	2013	2012
ASSETS		
Cash and equivalents	\$ 1,591,908	\$ 886
Receivables		
Accounts	500	500
Due from other funds	-	1,366,351
	500	1,366,851
Total Assets	\$ 1,592,408	\$ 1,367,737
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 238,561	\$ 1,007,645
Accrued liabilities	29,054	120,978
Due to other funds	1,010,971	-
Total Liabilities	1,278,586	1,128,623
Fund balance		
Assigned	313,822	239,114
Total Liabilities and Fund Balance	\$ 1,592,408	\$ 1,367,737

City of Yonkers, New York

Public Library Fund

Comparative Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual

Years Ended June 30,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 69,975	\$ 69,975	\$ 108,832	\$ 38,857
State aid	47,564	47,564	65,774	18,210
Miscellaneous	41,442	41,442	2,302	(39,140)
Total Revenues	158,981	158,981	176,908	17,927
EXPENDITURES				
Current				
Culture and recreation	7,644,334	7,644,334	7,506,038	138,296
Deficiency of Revenues Over Expenditures	(7,485,353)	(7,485,353)	(7,329,130)	156,223
OTHER FINANCING SOURCES (USES)				
Transfers in	8,414,809	8,414,809	8,414,809	-
Transfers out	(1,010,971)	(1,010,971)	(1,010,971)	-
Total Other Financing Sources	7,403,838	7,403,838	7,403,838	-
Net Change in Fund Balance	(81,515)	(81,515)	74,708	156,223
FUND BALANCE				
Beginning of Year	81,515	81,515	239,114	157,599
End of Year	\$ -	\$ -	\$ 313,822	\$ 313,822

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 63,244	\$ 63,244	\$ 85,579	\$ 22,335
40,829	40,829	47,564	6,735
67,318	67,318	41,057	(26,261)
171,391	171,391	174,200	2,809
7,893,733	7,893,733	7,647,938	245,795
(7,722,342)	(7,722,342)	(7,473,738)	248,604
8,581,197	8,581,197	8,581,197	-
(994,684)	(994,684)	(994,684)	-
7,586,513	7,586,513	7,586,513	-
(135,829)	(135,829)	112,775	248,604
135,829	135,829	126,339	(9,490)
\$ -	\$ -	\$ 239,114	\$ 239,114

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City of Yonkers, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	2013	2012
ASSETS		
Cash and equivalents	\$ -	\$ 10,481
Receivables		
Accounts	88,686	4,254
State and Federal aid	538,686	533,754
Due from other funds	857,964	1,519,975
	1,485,336	2,057,983
Inventories	129,633	158,853
Total Assets	\$ 1,614,969	\$ 2,227,317
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 466,361	\$ -
Accrued liabilities	62,779	469,393
Due to other funds	1,000,000	161,426
Advances from other funds	-	1,000,000
Due to retirement systems	126,005	554,016
Total Liabilities	1,655,145	2,184,835
Fund balance (deficit)		
Nonspendable	129,633	158,853
Assigned	-	13,782
Unassigned	(169,809)	(130,153)
Total Fund Balance (Deficit)	(40,176)	42,482
Total Liabilities and Fund Balance (Deficit)	\$ 1,614,969	\$ 2,227,317

City of Yonkers, New York

School Lunch Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 207,573	\$ 207,573	\$ 200,489	\$ (7,084)
Federal aid	6,208,296	6,269,588	6,466,365	196,777
Food sales	2,303,061	2,241,769	1,989,735	(252,034)
Total Revenues	8,718,930	8,718,930	8,656,589	(62,341)
EXPENDITURES				
Current				
Employee benefits	1,986,494	1,985,654	1,884,166	101,488
Cost of food sales	6,980,113	6,980,953	7,088,976	(108,023)
Total Expenditures	8,966,607	8,966,607	8,973,142	(6,535)
Deficiency of Revenues Over Expenditures	(247,677)	(247,677)	(316,553)	(68,876)
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Transfers out	(16,105)	(16,105)	(16,105)	-
Total Other Financing Sources (Uses)	233,895	233,895	233,895	-
Net Change in Fund Balance	(13,782)	(13,782)	(82,658)	(68,876)
FUND BALANCE (DEFICIT)				
Beginning of Year	13,782	13,782	42,482	28,700
End of Year	\$ -	\$ -	\$ (40,176)	\$ (40,176)

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 192,885	\$ 192,885	\$ 219,556	\$ 26,671
5,739,378	5,728,520	6,480,204	751,684
2,466,495	2,406,748	2,122,494	(284,254)
8,398,758	8,328,153	8,822,254	494,101
1,628,709	1,628,709	1,929,359	(300,650)
7,014,074	6,943,469	6,996,278	(52,809)
8,642,783	8,572,178	8,925,637	(353,459)
(244,025)	(244,025)	(103,383)	140,642
-	-	-	-
(5,975)	(5,975)	(5,975)	-
(5,975)	(5,975)	(5,975)	-
(250,000)	(250,000)	(109,358)	140,642
250,000	250,000	151,840	(98,160)
\$ -	\$ -	\$ 42,482	\$ 42,482

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City of Yonkers, New York

City Grants Fund
Comparative Balance Sheet
June 30,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ -</u>	<u>\$ 1,601,477</u>
Receivables		
State and Federal aid	7,858,542	8,341,404
Due from other funds	<u>-</u>	<u>725,296</u>
	<u>7,858,542</u>	<u>9,066,700</u>
Total Assets	<u><u>\$ 7,858,542</u></u>	<u><u>\$ 10,668,177</u></u>
LIABILITIES		
Accounts payable	\$ 652,709	\$ 931,210
Accrued liabilities	154,059	135,704
Due to other funds	3,685,022	4,503,119
Unearned revenues	<u>3,366,752</u>	<u>5,098,144</u>
Total Liabilities	<u><u>\$ 7,858,542</u></u>	<u><u>\$ 10,668,177</u></u>

City of Yonkers, New York

City Grants Fund

Comparative Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual

Years Ended June 30,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 3,448,726	\$ 3,448,726	\$ 274,701	\$ (3,174,025)
Charges for services	800,538	800,538	703,756	(96,782)
State aid	31,762,768	31,762,768	8,642,591	(23,120,177)
Federal aid	7,356,739	7,356,739	9,900,907	2,544,168
Miscellaneous	156,758	156,758	141,661	(15,097)
Total Revenues	43,525,529	43,525,529	19,663,616	(23,861,913)
EXPENDITURES				
Current				
General government support	-	-	-	-
Public safety	8,812,295	8,812,295	5,969,477	2,842,818
Transportation	3,204,503	3,204,503	943,795	2,260,708
Culture and recreation	281,580	281,580	108,862	172,718
Home and community services	31,227,151	31,227,151	12,641,482	18,585,669
Total Expenditures	43,525,529	43,525,529	19,663,616	23,861,913
Excess of Revenues Over Expenditures	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,424,685	\$ 2,424,685	\$ 875,469	\$ (1,549,216)
1,507,196	1,507,196	1,440,000	(67,196)
15,658,258	15,658,258	4,483,158	(11,175,100)
16,272,503	16,272,503	6,584,410	(9,688,093)
977,400	977,400	692,263	(285,137)
<u>36,840,042</u>	<u>36,840,042</u>	<u>14,075,300</u>	<u>(22,764,742)</u>
67,196	67,196	-	67,196
11,681,217	11,681,217	5,371,120	6,310,097
2,398,125	2,398,125	1,233,035	1,165,090
-	-	-	-
<u>22,693,504</u>	<u>22,693,504</u>	<u>7,471,145</u>	<u>15,222,359</u>
<u>36,840,042</u>	<u>36,840,042</u>	<u>14,075,300</u>	<u>22,764,742</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yonkers, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 837,546</u>	<u>\$ 800,452</u>
Investments	<u>351,754</u>	<u>350,585</u>
Receivables		
Accounts	5,433	-
Due from other funds	<u>-</u>	<u>8,921</u>
	<u>5,433</u>	<u>8,921</u>
Total Assets	<u><u>\$ 1,194,733</u></u>	<u><u>\$ 1,159,958</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 164,800	\$ 22,969
FUND BALANCE		
Restricted	<u>1,029,933</u>	<u>1,136,989</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,194,733</u></u>	<u><u>\$ 1,159,958</u></u>

City of Yonkers, New York

Special Purpose Fund

Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance

Years Ended June 30,

	<u>2013</u>	<u>2012</u>
REVENUES		
Miscellaneous	\$ 195,367	\$ 239,786
EXPENDITURES		
Current		
Culture and recreation	<u>302,423</u>	<u>187,054</u>
Excess (Deficiency) of Revenues Over Expenditures	(107,056)	52,732
FUND BALANCE		
Beginning of Year	<u>1,136,989</u>	<u>1,084,257</u>
End of Year	<u><u>\$ 1,029,933</u></u>	<u><u>\$ 1,136,989</u></u>

City of Yonkers, New York

Debt Service Fund

Combining Balance Sheet - Sub Funds

June 30, 2013

(With Comparative Actuals for 2012)

	City Debt Service	Education Debt Service	Totals	
			2013	2012
ASSETS				
Cash and equivalents	\$ 19,776,450	\$ -	\$ 19,776,450	\$ -
Investments	11,961	-	11,961	17,785
Due from other funds	-	2,093,422	2,093,422	485,396
Total Assets	<u>\$ 19,788,411</u>	<u>\$ 2,093,422</u>	<u>\$ 21,881,833</u>	<u>\$ 503,181</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other funds	<u>\$ 18,927,909</u>	<u>\$ 1,407,314</u>	<u>\$ 20,335,223</u>	<u>\$ 41,010</u>
Fund balances				
Restricted	860,502	686,108	1,546,610	40,823
Assigned	-	-	-	421,348
Total Fund Balances	<u>860,502</u>	<u>686,108</u>	<u>1,546,610</u>	<u>462,171</u>
Total Liabilities and Fund Balances	<u>\$ 19,788,411</u>	<u>\$ 2,093,422</u>	<u>\$ 21,881,833</u>	<u>\$ 503,181</u>

City of Yonkers, New York

Debt Service Fund

Combining Schedule of Revenues, Expenditures and

Changes in Fund Balances - Sub Funds

Year Ended June 30, 2013

(With Comparative Actuals for 2012)

	City Debt Service	Education Debt Service	Totals	
			2013	2012
REVENUES				
Use of money and property	\$ 3,251	\$ 10,101	\$ 13,352	\$ 17,948
EXPENDITURES				
Debt service				
Principal				
Bonds	28,095,000	14,645,000	42,740,000	34,560,000
Bond anticipation notes	-	-	-	16,800,000
Notes	459,833	-	459,833	459,003
State loan	-	200,000	200,000	200,000
Retirement incentives and other pension obligations	-	557,686	557,686	351,630
	<u>28,554,833</u>	<u>15,402,686</u>	<u>43,957,519</u>	<u>52,370,633</u>
Interest				
Bonds	17,079,357	5,804,243	22,883,600	17,584,123
Notes	23,071	-	23,071	20,936
Retirement incentives and other pension obligations	-	171,655	171,655	105,357
	<u>17,102,428</u>	<u>5,975,898</u>	<u>23,078,326</u>	<u>17,710,416</u>
Refunding bond issuance costs	<u>284,839</u>	<u>66,785</u>	<u>351,624</u>	<u>-</u>
Total Expenditures	<u>45,942,100</u>	<u>21,445,369</u>	<u>67,387,469</u>	<u>70,081,049</u>
Deficiency of Revenues Over Expenditures	<u>(45,938,849)</u>	<u>(21,435,268)</u>	<u>(67,374,117)</u>	<u>(70,063,101)</u>
OTHER FINANCING SOURCES				
Refunding bonds issued	37,040,000	12,110,000	49,150,000	-
Payment to refunded bond escrow agent	(39,151,185)	(12,717,089)	(51,868,274)	-
Issuance premium	2,396,024	673,874	3,069,898	-
Bonds issued	-	-	-	15,645,000
Transfers in	<u>46,473,689</u>	<u>21,633,243</u>	<u>68,106,932</u>	<u>54,914,208</u>
Total Other Financing Sources	<u>46,758,528</u>	<u>21,700,028</u>	<u>68,458,556</u>	<u>70,559,208</u>
Net Change in Fund Balances	819,679	264,760	1,084,439	496,107
FUND BALANCES (DEFICITS)				
Beginning of Year	<u>40,823</u>	<u>421,348</u>	<u>462,171</u>	<u>(33,936)</u>
End of Year	<u>\$ 860,502</u>	<u>\$ 686,108</u>	<u>\$ 1,546,610</u>	<u>\$ 462,171</u>

City of Yonkers, New York

City Debt Service Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 3,251	\$ 3,251
EXPENDITURES				
Debt service				
Principal				
Bonds	27,945,012	27,945,012	28,095,000	(149,988)
Bond anticipation notes	-	-	-	-
Notes	459,833	459,833	459,833	-
State loan - retirement	-	-	-	-
	<u>28,404,845</u>	<u>28,404,845</u>	<u>28,554,833</u>	<u>(149,988)</u>
Interest				
Bonds	17,920,868	17,920,868	17,079,357	841,511
Notes	29,272	29,272	23,071	6,201
State loan - retirement	-	-	-	-
	<u>17,950,140</u>	<u>17,950,140</u>	<u>17,102,428</u>	<u>847,712</u>
Refunding bond issuance costs	-	284,839	284,839	-
Total Expenditures	<u>46,354,985</u>	<u>46,639,824</u>	<u>45,942,100</u>	<u>697,724</u>
Deficiency of Revenues Over Expenditures	<u>(46,354,985)</u>	<u>(46,639,824)</u>	<u>(45,938,849)</u>	<u>700,975</u>
OTHER FINANCING SOURCES				
Refunding bonds issued	-	37,040,000	37,040,000	-
Payment to refunded bond escrow agent	-	(39,151,185)	(39,151,185)	-
Issuance premium	-	2,396,024	2,396,024	-
Bonds issued	-	-	-	-
Transfers in	<u>46,354,985</u>	<u>46,354,985</u>	<u>46,473,689</u>	<u>118,704</u>
Total Other Financing Sources	<u>46,354,985</u>	<u>46,639,824</u>	<u>46,758,528</u>	<u>118,704</u>
Net Change in Fund Balance	-	-	819,679	819,679
FUND BALANCE				
Beginning of Year	-	-	40,823	40,823
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 860,502</u>	<u>\$ 860,502</u>

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 6,889	\$ 6,889	\$ 14,254	\$ 7,365
21,525,002	21,525,002	21,525,000	2
1,860,000	16,800,000	16,800,000	-
-	459,003	459,003	-
3,765,690	-	-	-
27,150,692	38,784,005	38,784,003	2
13,014,222	13,014,222	13,014,220	2
-	20,936	20,936	-
1,060,866	-	-	-
14,075,088	13,035,158	13,035,156	2
-	-	-	-
41,225,780	51,819,163	51,819,159	4
(41,218,891)	(51,812,274)	(51,804,905)	7,369
-	-	-	-
-	-	-	-
-	-	-	-
-	15,645,000	15,645,000	-
41,218,891	36,167,274	36,167,274	-
41,218,891	51,812,274	51,812,274	-
-	-	7,369	7,369
-	-	33,454	33,454
\$ -	\$ -	\$ 40,823	\$ 40,823

City of Yonkers, New York

Education Debt Service Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 500	\$ 500	\$ 10,101	\$ 9,601
EXPENDITURES				
Debt service				
Principal				
Bonds	14,645,000	14,645,000	14,645,000	-
State loan	200,000	200,000	200,000	-
Retirement incentives and other pension obligations	369,211	369,211	557,686	(188,475)
	15,214,211	15,214,211	15,402,686	(188,475)
Interest				
Bonds	6,074,402	6,074,402	5,804,243	270,159
Retirement incentives and other pension obligations	87,776	87,776	171,655	(83,879)
	6,162,178	6,162,178	5,975,898	186,280
Refunding bond issuance costs	-	66,785	66,785	-
Total Expenditures	21,376,389	21,443,174	21,445,369	(2,195)
Deficiency of Revenues Over Expenditures	(21,375,889)	(21,442,674)	(21,435,268)	7,406
OTHER FINANCING SOURCES				
Refunding bonds issued	-	12,110,000	12,110,000	-
Payment to refunded bond escrow agent	-	(12,717,089)	(12,717,089)	-
Issuance premium	-	673,874	673,874	-
Transfers in	21,360,889	21,360,889	21,633,243	272,354
Total Other Financing Sources	21,360,889	21,427,674	21,700,028	272,354
Net Change in Fund Balance	(15,000)	(15,000)	264,760	279,760
FUND BALANCE (DEFICIT)				
Beginning of Year	15,000	15,000	421,348	406,348
End of Year	\$ -	\$ -	\$ 686,108	\$ 686,108

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 500	\$ 500	\$ 3,694	\$ 3,194
13,151,584	13,151,584	13,035,000	116,584
200,000	200,000	200,000	-
272,053	272,053	351,630	(79,577)
13,623,637	13,623,637	13,586,630	37,007
4,994,941	4,994,941	4,569,903	425,038
143,856	143,856	105,357	38,499
5,138,797	5,138,797	4,675,260	463,537
-	-	-	-
18,762,434	18,762,434	18,261,890	500,544
(18,761,934)	(18,761,934)	(18,258,196)	503,738
-	-	-	-
-	-	-	-
-	-	-	-
18,746,934	18,746,934	18,746,934	-
18,746,934	18,746,934	18,746,934	-
(15,000)	(15,000)	488,738	503,738
15,000	15,000	(67,390)	(82,390)
\$ -	\$ -	\$ 421,348	\$ 421,348

City of Yonkers, New York

Fiduciary Funds - Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
ASSETS				
Cash and equivalents	\$ 12,626,570	\$ 221,035,795	\$ 210,493,563	\$ 23,168,802
Investments	125,546	503	-	126,049
Accounts receivable	6,157,698	1,925,000	5,905,931	2,176,767
Total Assets	<u>\$ 18,909,814</u>	<u>\$ 222,961,298</u>	<u>\$ 216,399,494</u>	<u>\$ 25,471,618</u>
LIABILITIES				
Accounts payable	\$ 1,636,328	\$ 6,883,290	\$ 7,145,186	\$ 1,374,432
Employee payroll deductions	8,306,545	20,680,955	13,563,866	15,423,634
Deposits	8,663,957	34,684,306	34,947,504	8,400,759
Student activity funds	302,984	834,673	864,864	272,793
Total Liabilities	<u>\$ 18,909,814</u>	<u>\$ 63,083,224</u>	<u>\$ 56,521,420</u>	<u>\$ 25,471,618</u>

STATISTICAL SECTION
(UNAUDITED)

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

City of Yonkers, New YorkNet Position by Component
Last Ten Fiscal Years

	2004	2005	2006	2007
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 110,601,260	\$ 118,502,984	\$ 107,094,313	\$ 94,752,686
Restricted	13,268,719	14,360,624	16,567,548	15,864,496
Unrestricted	<u>(102,145,383)</u>	<u>(90,363,518)</u>	<u>(79,012,460)</u>	<u>(73,274,434)</u>
Total Primary Government				
Net Position	<u>\$ 21,724,596</u>	<u>\$ 42,500,090</u>	<u>\$ 44,649,401</u>	<u>\$ 37,342,748</u>

(1) Decrease in net position due to initial implementation of Governmental Accounting Standards Board Statement No. 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions".

2008(1)	2009	2010	2011	2012	2013
\$ 106,910,542	\$ 124,459,391	\$ 138,726,316	\$ 145,785,120	\$ 152,139,303	\$ 169,689,871
14,014,825	13,152,826	15,735,859	10,091,958	10,390,761	12,781,517
(188,438,710)	(315,242,278)	(470,490,453)	(546,741,785)	(632,055,187)	(771,684,413)
<u>\$ (67,513,343)</u>	<u>\$ (177,630,061)</u>	<u>\$ (316,028,278)</u>	<u>\$ (390,864,707)</u>	<u>\$ (469,525,123)</u>	<u>\$ (589,213,025)</u>

City of Yonkers, New York
**Changes In Net Position
Last Ten Fiscal Years**

	2004	2005	2006	2007
EXPENSES				
Governmental Activities				
General government support	\$ 65,986,647	\$ 69,252,148	\$ 69,727,673	\$ 83,035,170
Education	418,250,858	410,316,574	446,386,197	469,606,585
Public safety	162,127,837	181,078,461	190,446,990	207,787,247
Transportation	3,487,279	2,608,028	593,767	2,234,883
Culture and recreation	20,266,738	21,994,478	21,282,353	24,719,057
Home and community services	65,065,047	65,061,963	64,908,516	73,613,403
Interest	13,568,574	12,375,889	20,204,810	20,303,610
Total Primary Government Expenses	748,752,980	762,687,541	813,550,306	881,299,955
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government support	9,984,239	10,543,299	10,517,560	10,621,989
Education	3,112,411	3,090,309	3,553,732	3,671,317
Public safety	6,662,653	6,809,716	7,748,837	8,335,163
Transportation	452,208	452,900	453,800	454,737
Culture and recreation	1,333,658	1,519,329	1,521,759	1,774,319
Home and community services	18,886,161	20,564,523	20,203,287	21,363,104
Operating grants and contributions	134,430,619	129,360,779	120,649,287	143,292,938
Capital grants and contributions	2,670,139	1,722,793	2,873,750	6,118,370
Total Primary Government Program Revenues	177,532,088	174,063,648	167,522,012	195,631,937
Total Primary Government Net Expense	(571,220,892)	(588,623,893)	(646,028,294)	(685,668,018)
GENERAL REVENUES				
Governmental Activities				
Taxes				
Real property taxes	183,577,465	222,077,836	228,291,531	230,149,127
Other tax items	49,383,267	57,938,272	64,179,579	66,695,812
Non-property taxes	71,873,218	75,206,022	89,499,197	109,959,457
Forfeitures	-	-	1,575	3,250
Unrestricted use of money and property	1,060,147	1,622,801	4,721,035	5,111,039
Sale of property and compensation for loss	-	-	-	-
Unrestricted State aid	249,782,003	251,452,592	237,000,752	261,290,934
Federal aid	54,314	-	29,206	32,734
Gain on sale of real property	-	-	-	-
Miscellaneous	4,146,809	1,039,709	24,414,800	5,027,291
Total Primary Government	559,877,223	609,337,232	648,137,675	678,269,644
CHANGE IN NET POSITION				
Total Primary Government	\$ (11,343,669)	\$ 20,713,339	\$ 2,109,381	\$ (7,398,374)

(1) Decrease due to initial implementation of Governmental Accounting Standards Board Statement No. 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions".

2008 (1)	2009	2010	2011	2012	2013
\$ 107,208,807	\$ 106,742,971	\$ 114,557,722	\$ 92,153,380	\$ 109,233,631	\$ 96,698,090
551,126,474	576,551,439	610,339,040	584,220,136	574,517,266	604,723,981
244,053,376	253,865,905	249,200,177	253,462,854	245,285,519	277,342,296
2,602,672	3,065,761	3,748,615	3,762,332	1,644,099	2,554,540
25,499,497	24,670,215	27,174,255	20,244,726	24,923,829	28,174,200
65,682,006	73,083,760	80,486,508	78,678,985	92,983,418	86,846,243
22,333,142	23,808,854	21,830,388	22,705,567	21,507,938	20,408,530
1,018,505,974	1,061,788,905	1,107,336,705	1,055,227,980	1,070,095,700	1,116,747,880
11,682,117	13,283,433	11,662,302	15,196,280	16,533,157	16,242,532
3,448,088	3,140,648	3,057,251	2,648,820	2,983,150	2,918,507
9,853,742	6,610,128	8,057,938	8,995,653	7,675,845	8,358,062
455,814	456,850	483,993	473,027	474,493	475,298
1,957,550	2,196,019	2,257,067	2,548,614	2,631,213	2,690,904
18,597,391	21,972,439	23,470,866	25,569,193	29,142,758	33,845,283
82,247,581	93,129,537	106,495,033	106,646,647	90,099,855	98,127,740
9,099,083	13,653,580	6,242,682	918,951	308,144	1,088,882
137,341,366	154,442,634	161,727,132	162,997,185	149,848,615	163,747,208
(881,164,608)	(907,346,271)	(945,609,573)	(892,230,795)	(920,247,085)	(953,000,672)
243,479,848	261,820,029	275,684,037	286,255,827	292,352,321	300,323,045
77,857,974	61,293,509	66,758,036	64,637,100	72,026,152	75,579,609
106,655,950	99,234,839	96,551,065	101,458,201	115,619,511	120,189,039
6,250	12,150	8,275	1,175	1,600	6,750
3,915,975	1,114,401	498,478	270,688	256,191	224,682
2,789	5,212	14,770	14,628	307,875	258,202
339,072,658	360,379,774	347,251,203	351,076,326	342,328,128	328,309,196
28,887	29,018	15,346,588	8,155,256	75,522	20,804
-	-	-	266,270	-	-
5,288,186	13,340,621	5,098,904	5,258,895	8,407,534	8,401,443
776,308,517	797,229,553	807,211,356	817,394,366	831,374,834	833,312,770
\$ (104,856,091)	\$ (110,116,718)	\$ (138,398,217)	\$ (74,836,429)	\$ (88,872,251)	\$ (119,687,902)

City of Yonkers, New York

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2004	2005	2006	2007
GENERAL FUND				
Reserved	\$ 2,961,625	\$ 3,482,359	\$ 3,227,658	\$ 3,655,713
Unreserved	33,470,936	38,967,846	43,921,474	36,650,000
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 36,432,561</u>	<u>\$ 42,450,205</u>	<u>\$ 47,149,132</u>	<u>\$ 40,305,713</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 15,830,746	\$ 23,121,904	\$ 22,036,591	\$ 31,430,038
Unreserved, Reported In				
Special revenue funds	3,447,447	11,520,406	5,993,456	14,107,503
Capital projects funds	45,622,766	127,423,466	66,247,726	65,236,523
Debt service funds	-	125,000	1,780,000	4,126,560
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 64,900,959</u>	<u>\$ 162,190,776</u>	<u>\$ 96,057,773</u>	<u>\$ 114,900,624</u>
Total Governmental Funds	<u>\$ 101,333,520</u>	<u>\$ 204,640,981</u>	<u>\$ 143,206,905</u>	<u>\$ 155,206,337</u>

- (1) Components of fund balance were reclassified with the June 30, 2011 implementation of Governmental Accounting Standards Board Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*".

2008	2009	2010	2011 (1)	2012	2013
\$ 3,963,954	\$ 2,482,203	\$ 2,355,246	\$ -	\$ -	\$ -
19,830,535	19,579,485	9,231,545	-	-	-
-	-	-	10,600	3,071,221	4,464,686
-	-	-	5,638,555	10,825,579	18,816,058
-	-	-	8,866,923	20,918,509	31,597,978
<u>\$ 23,794,489</u>	<u>\$ 22,061,688</u>	<u>\$ 11,586,791</u>	<u>\$ 14,516,078</u>	<u>\$ 34,815,309</u>	<u>\$ 54,878,722</u>
\$ 7,651,747	\$ 8,634,537	\$ 7,856,804	\$ -	\$ -	\$ -
18,025,302	25,776,070	26,725,258	-	-	-
105,753,666	77,262,515	77,911,500	-	-	-
1,495,416	569,919	(51,995)	-	-	-
-	-	-	187,741	3,219,474	2,859,762
-	-	-	29,011,827	40,776,006	96,905,552
-	-	-	6,350,000	4,850,000	-
-	-	-	29,842,285	74,846,347	21,211,004
-	-	-	7,477,234	(323,253)	(169,809)
<u>\$ 132,926,131</u>	<u>\$ 112,243,041</u>	<u>\$ 112,441,567</u>	<u>\$ 72,869,087</u>	<u>\$ 123,368,574</u>	<u>\$ 120,806,509</u>
<u>\$ 156,720,620</u>	<u>\$ 134,304,729</u>	<u>\$ 124,028,358</u>	<u>\$ 87,385,165</u>	<u>\$ 158,183,883</u>	<u>\$ 175,685,231</u>

City of Yonkers, New York
**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2004	2005	2006	2007
REVENUES				
Real property taxes	\$ 191,288,350	\$ 219,306,083	\$ 226,984,887	\$ 230,300,603
Other tax items	49,383,267	57,938,272	64,179,579	66,695,812
Non-property taxes	71,873,218	75,206,022	89,499,197	109,959,457
Departmental income	34,004,593	36,056,667	37,810,495	38,753,688
Charges for services	3,545,330	3,885,927	4,020,416	4,530,039
Use of money and property	1,800,540	3,354,158	7,937,660	9,849,304
Forfeitures	2,275	2,450	1,575	3,250
Sale of property and compensation for loss	350,677	834,467	18,891	522,359
Interfund revenues	6,635,417	6,838,485	10,470,994	7,458,311
State aid	322,740,386	324,049,163	306,302,480	355,970,956
Federal aid	62,772,367	53,352,345	50,680,799	48,966,240
Food sales	2,505,255	2,421,583	2,528,686	2,844,156
Miscellaneous	4,764,120	4,781,622	25,211,666	6,156,487
Total Revenues	751,665,795	788,027,244	825,647,325	882,010,662
EXPENDITURES				
Current				
General government support	57,612,508	56,354,651	56,151,739	65,630,420
Education	330,685,076	312,240,356	337,624,743	352,300,707
Public safety	116,921,195	120,526,632	130,326,045	137,473,311
Transportation	3,247,933	2,318,588	2,030,712	2,069,378
Culture and recreation	16,183,964	16,417,399	17,358,599	16,308,886
Home and community services	57,686,146	54,626,238	52,230,188	55,311,345
Employee benefits	143,160,284	176,837,845	186,360,113	198,324,174
Cost of food sales	6,654,781	6,612,983	6,632,223	7,083,184
Debt service				
Principal	24,568,692	22,490,873	27,430,403	31,061,403
Interest	14,106,217	13,359,900	17,293,442	20,488,649
Refunding bond issuance costs	-	1,553,524	-	-
Capital outlay	22,862,525	36,251,500	116,591,563	44,129,784
Total Expenditures	793,689,321	819,590,489	950,029,770	930,181,241
Deficiency of Revenues Over Expenditures	(42,023,526)	(31,563,245)	(124,382,445)	(48,170,579)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	110,250,000	-	-
Payment to refunded bond escrow agent	-	(118,389,837)	-	-
Issuance premium	543,874	15,930,225	1,085,500	2,243,130
Bonds issued	47,925,000	120,625,000	52,640,000	48,875,000
Bond anticipation notes issued	-	-	-	-
Notes issued	3,851,407	81,101	-	-
Loans issued	-	-	-	-
Issuance costs	-	-	-	-
Sale of real property	-	400,000	-	-
State loan issued	-	-	-	-
State loan - retirement	-	17,860,665	9,222,869	9,051,881
Transfers in	208,126,882	215,096,195	234,346,883	270,894,250
Transfers out	(208,126,882)	(215,096,195)	(234,346,883)	(270,894,250)
Total Other Financing Sources	52,320,281	146,757,154	62,948,369	60,170,011
Net Change in Fund Balances	\$ 10,296,755	\$ 115,193,909	\$ (61,434,076)	\$ 11,999,432
Debt Service as a Percentage of Non-Capital Expenditures				
	5.0%	4.5%	5.3%	5.7%

2008	2009	2010	2011	2012	2013
\$ 242,095,675	\$ 259,527,109	\$ 272,185,428	\$ 281,141,856	\$ 289,233,129	\$ 305,492,125
77,857,974	61,293,509	66,758,036	64,637,100	72,026,152	75,579,609
106,655,950	99,234,839	96,551,065	101,458,201	115,619,511	120,189,039
39,435,647	42,104,661	43,152,935	50,340,662	54,345,600	59,550,507
4,869,525	1,639,751	2,175,963	2,454,558	2,166,655	1,287,372
8,216,873	4,008,968	1,294,407	676,970	1,123,190	1,144,704
6,250	12,150	8,275	1,175	1,600	6,750
342,344	179,662	229,631	238,588	327,370	474,752
1,015,791	978,608	1,503,125	1,215,987	930,311	802,375
373,986,873	410,188,591	387,913,948	385,536,864	379,197,328	370,846,330
51,369,201	51,956,337	79,978,174	79,415,310	52,113,409	54,962,067
2,631,840	2,428,892	2,387,226	2,091,379	2,122,494	1,989,735
6,595,516	16,914,863	12,474,334	7,077,996	8,322,953	10,119,862
915,079,459	950,467,940	966,612,547	976,286,646	977,529,702	1,002,445,227
68,909,397	70,590,772	90,193,733	74,270,685	84,799,011	78,047,611
361,617,951	380,230,067	399,394,075	381,717,571	367,300,654	392,760,138
149,461,196	142,668,880	145,703,692	140,277,496	143,026,543	144,844,426
2,250,783	2,522,108	3,145,339	3,159,440	1,567,905	1,949,464
17,235,602	17,134,454	16,480,097	14,997,660	15,093,456	15,315,630
51,554,605	56,069,968	60,043,934	63,695,300	64,900,922	65,653,674
207,981,306	200,428,268	205,895,109	226,517,753	232,468,118	238,474,631
7,162,309	7,014,153	7,052,612	6,878,962	6,996,278	7,088,976
33,267,259	36,245,417	45,957,628	38,063,952	53,303,407	44,944,850
23,010,388	24,754,281	22,349,835	22,037,297	19,730,990	24,375,426
-	-	-	-	-	351,624
48,815,452	65,009,129	49,050,934	52,433,957	46,219,673	38,292,154
971,266,248	1,002,667,497	1,045,266,988	1,024,050,073	1,035,406,957	1,052,098,604
(56,186,789)	(52,199,557)	(78,654,441)	(47,763,427)	(57,877,255)	(49,653,377)
-	-	-	-	-	49,150,000
-	-	-	-	-	(51,868,274)
1,026,072	-	1,041,051	-	5,162,591	5,887,999
56,675,000	14,164,000	51,021,000	-	113,130,000	56,920,000
-	5,400,000	14,800,000	2,000,000	-	7,065,000
-	10,219,666	1,516,019	8,090,419	-	-
-	-	-	-	341,770	-
-	-	-	-	(170,223)	-
-	-	-	200,000	-	-
-	-	-	829,815	-	-
-	-	-	-	-	-
271,901,282	290,023,383	294,171,762	290,798,606	296,975,124	313,321,291
(271,901,282)	(290,023,383)	(294,171,762)	(290,798,606)	(296,975,124)	(313,321,291)
57,701,072	29,783,666	68,378,070	11,120,234	118,464,138	67,154,725
\$ 1,514,283	\$ (22,415,891)	\$ (10,276,371)	\$ (36,643,193)	\$ 60,586,883	\$ 17,501,348
6.1%	6.4%	6.8%	6.2%	7.3%	6.8%

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. These schedules include:

Assessed Value and Estimated Actual Value
of Taxable Property

Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

Computation of Constitutional Tax Margin

City of Yonkers, New York

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Year	Residential Property	Commercial Property	Industrial Property	Special Franchise (1)	Assessed Value (2)
2004	\$ 302,660,000	\$ 187,759,047	\$ 13,074,000	\$ 21,298,495	\$ 524,791,542
2005	303,029,000	187,160,976	11,980,000	18,557,215	520,727,191
2006	302,047,000	184,937,168	11,835,000	17,959,779	516,778,947
2007	303,296,000	177,493,972	11,270,000	18,624,241	510,684,213
2008	303,023,632	175,610,011	11,252,977	18,812,468	508,699,088
2009	306,533,996	170,539,144	10,279,497	15,499,698	502,852,335
2010	304,612,788	156,880,931	10,432,912	17,156,259	489,082,890
2011	299,493,453	155,332,661	10,198,215	18,822,499	483,846,828
2012	295,363,498	152,089,693	9,822,044	18,822,499	476,097,734
2013	293,056,452	151,007,227	8,719,143	26,240,243	479,023,065

(1) Assessed valuation of transmission lines of Consolidated Edison and Verizon

(2) Assessed valuation for City purposes

(3) Assessed valuation for educational purposes

(4) Provided by the New York State Office of Real Property Services

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the state special equalization rate. Tax rates are per \$1,000 of assessed value.

Plus Veteran's Exemption	Total Taxable Assessed Value (3)	State Special Equalization Rate (4)	Estimated Actual Taxable Value	Total Direct Tax Rate
\$ 8,620,508	\$ 533,412,050	3.67 %	\$ 14,534,388,283	\$ 405.82
7,397,743	528,124,934	3.08	17,146,913,442	466.57
6,956,154	523,735,101	2.78	18,839,392,122	488.72
7,087,789	517,772,002	2.14	24,194,953,364	503.38
8,700,433	517,399,521	2.34	22,111,090,641	528.43
7,590,723	510,443,058	2.64	19,334,964,318	568.08
7,696,865	496,779,755	2.92	17,013,005,308	600.75
7,700,399	491,547,227	3.17	15,506,221,672	624.76
8,155,530	484,253,264	3.23	14,992,361,115	654.78
7,525,610	486,548,675	3.34	14,567,325,599	677.02

City of Yonkers, New York

Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation
Last Ten Fiscal Years

Year	City Direct Rate (1)	Overlapping Rates		
		Westchester County		
		Operating	Sewer Districts (2)	Refuse Disposal District
2004	\$ 405.82	\$ 91.53	\$ 11.12	\$ 11.09
2005	466.57	89.44	11.31	10.77
2006	488.72	94.76	12.20	10.92
2007	503.38	99.79	13.78	11.04
2008	528.43	123.69	11.76	16.49
2009	568.08	126.24	18.10	11.75
2010	600.75	122.15	19.26	11.48
2011	624.76	120.42	19.10	11.61
2012	654.78	117.60	18.51	11.35
2013	677.02	113.38	18.32	10.92

(1) A single direct property tax rate applies to all classes of real property.

(2) Average rate for five sewer districts

Source: City of Yonkers Department of Finance

City of Yonkers, New York

Principal Taxpayers

Current Year and Nine Years Ago

2013				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Con Edison	Utility	\$ 33,063,997	6.80 %
2	Cali So. West. Realty Assoc.	Office Park	3,671,100	0.75
3	City of New York Water Supply	Utility	2,860,900	0.59
4	G & C Yonkers Realty LLC	Shopping Center	2,306,700	0.47
5	Verizon New York Inc.	Utility	2,093,872	0.43
6	Crestwood Lake	Apartments	1,708,465	0.35
7	AAC Cross County Mall LLC	Shopping Mall	1,665,500	0.34
8	Horizon At Ridge Hill LLC	Apartments	1,583,813	0.33
9	Sadore Lane Gardens	Apartments	1,475,743	0.30
10	Fleetwood Park Corp.	Apartments	1,141,539	0.23
	Total		<u>\$ 51,571,629</u>	<u>10.59 %</u>

2004				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Con Edison	Utility	\$ 34,161,824	6.40 %
2	Marx Realty	Shopping Center	6,736,280	1.26
3	Verizon	Utility	3,070,327	0.58
4	Acklinis Realty Holding	Shopping Center	2,910,800	0.55
5	City of New York Water Supply	Utility	2,860,900	0.54
6	Yonkers Racing Corp.	Harness Racing	2,403,300	0.45
7	Sadore Lane Gardens	Apartments	1,956,222	0.37
8	Cali So. West. Realty Assoc.	Office Park	1,658,150	0.31
9	Lilac New York Corp.	Shopping Center	1,655,500	0.31
10	KGL Yonkers Associates	Shopping Center	1,620,900	0.30
	Total		<u>\$ 59,034,203</u>	<u>11.07 %</u>

Source: City of Yonkers Assessor's Office.

City of Yonkers, New York

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 215,171,170	\$ 209,270,238	97.26 %	\$ 5,432,834	\$ 214,703,072	99.78 %
2005	245,151,170	238,722,634	97.38	6,274,027	244,996,661	99.94
2006	254,836,170	248,817,723	97.64	5,583,144	254,400,867	99.83
2007	259,913,858	252,975,394	97.33	6,224,823	259,200,217	99.73
2008	272,356,847	265,440,419	97.46	6,219,601	271,660,020	99.74
2009	288,912,696	278,796,348	96.50	9,013,046	287,809,394	99.62
2010	297,192,534	286,263,245	96.32	9,017,290	295,280,535	99.36
2011	305,699,826	292,001,250	95.52	6,189,118	298,190,368	97.54
2012	315,524,266	302,517,073	95.88	10,541,946	313,059,019	99.22
2013	327,820,814	313,694,684	95.69	3,457,218	317,151,902	96.75

(1) Includes amounts for City and educational purposes

City of Yonkers Department of Finance as of March 26, 2014.

City of Yonkers, New York

Computation of Constitutional Tax Margin
June 30, 2013

Assessment Roll			State Special Equalization Ratio	Full Valuation
Year	Budget Year	Assessed Valuation		
2012	2013	\$ 486,548,675	3.34 %	\$ 14,567,325,599
2011	2012	484,253,264	3.23	14,992,361,115
2010	2011	491,547,227	3.17	15,506,221,672
2009	2010	496,779,755	2.92	17,013,005,308
2008	2009	510,443,058	2.64	19,334,964,318
Total Five Year Full Valuation				<u>\$ 81,413,878,012</u>
Five Year Average Full Valuation of Taxable Real Property				<u>\$ 16,282,775,602</u>
Tax Levying Limitation - 2% of Average Full Valuation				325,655,512
Total Exclusions				<u>64,945,721</u>
Maximum Taxing Power				390,601,233
Total Levy for 2012-13				<u>327,820,814</u>
Tax Margin				<u>\$ 62,780,419</u>

Constitutional Tax Limit - Last Ten Fiscal Years:

Year	Maximum Taxing Power	Tax Levy	Tax Limit Available	Percent Exhausted
2004	\$ 293,291,207	\$ 215,171,170	\$ 78,120,037	73.36 %
2005	325,092,526	245,151,170	79,941,356	75.41
2006	351,817,363	254,836,170	96,981,193	72.43
2007	396,782,670	259,913,858	136,868,812	65.51
2008	430,355,891	272,356,847	157,999,044	63.29
2009	523,669,328	288,912,696	234,756,632	55.17
2010	539,391,129	297,192,534	242,198,595	55.10
2011	508,219,999	305,699,826	202,520,173	60.15
2012	438,683,688	315,524,266	123,159,422	71.93
2013	390,601,233	327,820,814	62,780,419	83.93

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Ratios of Net General Bonded Debt Outstanding

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

City of Yonkers, New York

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Mortgage	Notes	Loan	Bond Anticipation Note	State Loan
2004	\$ 292,816,059	\$ 413,229	\$ 4,229,684	\$ -	\$ -	\$ 5,200,000
2005	399,237,500	237,841	3,950,300	-	-	5,000,000
2006	427,233,988	-	3,572,742	-	-	4,800,000
2007	449,418,684	-	3,284,907	-	-	4,600,000
2008	476,668,608	-	2,977,311	-	-	4,400,000
2009	457,536,866	-	12,859,206	-	5,400,000	4,200,000
2010	472,610,648	-	13,554,877	-	14,800,000	4,000,000
2011	437,472,776	-	20,529,397	-	16,800,000	3,800,000
2012	519,774,591	-	19,137,620	341,770	-	3,600,000
2013	534,625,832	-	17,690,456	341,770	7,065,000	3,400,000

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

Total Gross Long-Term Debt	Less: Amounts Available in Debt Service Fund	Net Long-Term Debt	Percentage of Personal Income (1)	Per Capita (1)
\$ 302,658,972	\$ 109,650	\$ 302,549,322	6.77 %	\$ 1,543
408,425,641	1,473,229	406,952,412	9.11	2,075
435,606,730	5,407,115	430,199,615	9.63	2,194
457,303,591	5,331,907	451,971,684	8.37	2,284
484,045,919	1,916,041	482,129,878	8.87	2,420
479,996,072	586,705	479,409,367	8.18	2,378
504,965,525	-	504,965,525	8.71	2,511
478,602,173	-	478,602,173	7.94	2,442
542,853,981	462,171	542,391,810	9.19	2,768
563,123,058	1,546,610	561,576,448	9.59	2,830

City of Yonkers, New York

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Long-Term Debt	Percentage of Actual Taxable Value of Property	Percentage of Personal Income (1)	Per Capita (1)
2004	\$ 292,816,059	\$ 109,650	\$ 292,706,409	0.02 %	6.55 %	\$ 1,493
2005	399,237,500	1,473,229	397,764,271	0.02	8.90	2,029
2006	427,233,988	5,407,115	421,826,873	0.02	9.44	2,151
2007	449,418,684	5,331,907	444,086,777	0.02	8.23	2,245
2008	476,668,608	1,916,041	474,752,567	0.02	8.73	2,383
2009	457,536,866	586,705	456,950,161	0.02	7.80	2,267
2010	472,610,648	-	472,610,648	0.03	8.15	2,351
2011	437,472,776	-	437,472,776	0.03	7.26	2,232
2012	519,774,591	462,171	519,312,420	0.03	8.80	2,650
2013	534,625,832	1,546,610	533,079,222	0.04	9.11	2,686

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

City of Yonkers, New York

Direct and Overlapping Governmental Activities Debt

June 30, 2013

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to Yonkers (2)</u>	<u>Amount Applicable to Yonkers</u>
County of Westchester	\$ 1,108,757,834	8.75 %	\$ 97,039,656
Total Direct Debt			<u>563,123,058</u>
Net Direct and Overlapping Debt			<u>\$ 660,162,714</u>

(1) At December 31, 2013. Excludes the amount available for repayment in the Debt Service Fund

(2) The percentage of overlapping debt applicable is estimated using taxable assessed values.

Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

Source: City of Yonkers and County of Westchester Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City.

This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

City of Yonkers, New York

Legal Debt Margin Information Last Ten Fiscal Years

	2004	2005	2006	2007
Debt Limit	\$ 1,143,534,703	\$ 1,293,044,763	\$ 1,386,868,017	\$ 1,571,333,958
Total Net Debt Applicable to Limit	259,379,069	354,571,145	371,929,416	384,289,854
Legal Debt Margin	<u>\$ 884,155,634</u>	<u>\$ 938,473,618</u>	<u>\$ 1,014,938,601</u>	<u>\$ 1,187,044,104</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.68%	27.42%	26.82%	24.46%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessment Roll		Assessed Valuation	State Special Equalization Ratio	Full Valuation
Year	Budget Year			
2012	2013	\$ 486,548,675	3.34 %	\$ 14,567,325,599
2011	2012	484,253,264	3.23	14,992,361,115
2010	2011	491,547,227	3.17	15,506,221,672
2009	2010	496,779,755	2.92	17,013,005,308
2008	2009	510,443,058	2.64	19,334,964,318
Total Five Year Full Valuation				<u>\$ 81,413,878,012</u>
Five Year Average Full Valuation of Taxable Real Property				<u>16,282,775,602</u>
Debt Limit - 9% of Five Year Average Full Valuation				<u>1,465,449,804</u>
Outstanding City Debt:				
Serial Bonds		518,960,000		
Bond Anticipation Notes		<u>7,065,000</u>		<u>526,025,000</u>
Less				
Exclusion for Water Debt				25,676,015
Appropriations				<u>40,508,288</u>
				<u>66,184,303</u>
Net Indebtedness Subject to Debt Limit				<u>459,840,697</u>
Net Debt Contracting Margin				<u>\$ 1,005,609,107</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 1,760,577,844	\$ 2,052,451,328	\$ 2,188,783,138	\$ 2,283,392,221	\$ 1,730,794,918	\$ 1,465,449,804
<u>406,881,704</u>	<u>392,933,854</u>	<u>425,905,851</u>	<u>416,674,184</u>	<u>446,054,539</u>	<u>459,840,697</u>
<u>\$ 1,353,696,140</u>	<u>\$ 1,659,517,474</u>	<u>\$ 1,762,877,287</u>	<u>\$ 1,866,718,037</u>	<u>\$ 1,284,740,379</u>	<u>\$ 1,005,609,107</u>
23.11%	19.14%	19.46%	18.25%	25.77%	31.38%

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules include:

Demographic Statistics

Principal Employers

City of Yonkers, New York

Demographic Statistics Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (1)	Personal Income	Per Capita Income (1)	Unemployment Rate (2)
2004	196,086 (3)	4,469,388,198	\$ 22,793	5.60 %
2005	196,086	4,469,388,198	22,793	5.10
2006	196,086	4,469,388,198	22,793	4.90
2007	197,852	5,397,798,264	27,282	4.70
2008	199,244	5,435,774,808	27,282	5.80
2009	201,588	5,859,558,396	29,067	8.70
2010	201,066	5,797,738,110	28,835	9.00
2011	195,976 (4)	6,028,417,736	30,761	8.20
2012	195,976 (4)	5,904,168,952	30,127	8.90
2013	198,449 (5)	5,854,047,051	29,499	8.00

Sources: (1) Source: U.S. Department of Commerce, Bureau of Census and
City of Yonkers Planning Board
(2) New York State Department of Labor. Calendar year annualized average
(3) 2000 U.S. Census
(4) 2010 U.S. Census
(5) 2012 U.S. Census Bureau Estimate

City of Yonkers, New York

Principal Employers Current Year and Nine Years Ago

EMPLOYER	2013		2004	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Yonkers Raceway Corporation	696	0.81 %	500	0.56 %
Liberty Lines	625	0.73	230	0.26
Pop Displays	520	0.60	608	0.69
Consumer Union	497	0.58	400	0.45
Kawasaki Rail Car	445	0.52	225	0.25
Stew Leonards	435	0.51	650	0.73
Domino Foods Inc (Refined Sugar)	286	0.33	278	0.31
Ecker Windows	300	0.35	-	-
America Bus Associates	300	0.35	-	-
American Specialties	251	0.29	-	-
	<u>4,355</u>	<u>5.06 %</u>	<u>2,891</u>	<u>3.26 %</u>

Source: Yonkers Planning Bureau, Yonkers IDA

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. These schedules include:

Full-Time Equivalent City Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

City of Yonkers, New York

Full-Time Equivalent City Government Employees by Function Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30,			
	2004	2005	2006	2007
General Government	376	364	354	349
Public Safety	1,197	1,199	1,186	1,203
Culture and Recreation	193	190	185	186
Home and Community Services	355	368	352	345
Total	<u>2,121</u>	<u>2,121</u>	<u>2,077</u>	<u>2,083</u>

Source: City's Finance Department

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
361	357	354	323	319	337
1,224	1,224	1,223	1,174	1,222	1,192
186	181	177	170	170	224
<u>347</u>	<u>346</u>	<u>332</u>	<u>325</u>	<u>359</u>	<u>306</u>
<u><u>2,118</u></u>	<u><u>2,108</u></u>	<u><u>2,086</u></u>	<u><u>1,992</u></u>	<u><u>2,070</u></u>	<u><u>2,059</u></u>

City of Yonkers, New York

Operating Indicators by Function/Program Last Ten Fiscal Years

	2004	2005	2006	2007
GENERAL GOVERNMENT SUPPORT				
Building permits issued	1,430	1,382	1,454	1,252
Building inspections conducted	n/a	n/a	22,877	14,532
PUBLIC SAFETY				
Police				
Physical arrests	4,867	5,660	6,270	6,233
Parking violations	164,361	160,876	153,647	159,435
Fire				
Emergency responses	17,010	16,807	15,010	14,662
Fires extinguished	1,757	1,717	1,202	1,223
Inspections	2,678	2,712	2,601	2,424
CULTURE AND RECREATION				
Recreation				
Adult programs	22	22	22	35
Children's programs	15	15	15	40
Teen centers	17	17	17	17
Senior citizen's programs	17	16	16	30
Boys and girls club	12	12	12	12
Swim programs- adults	13	13	13	15
Swim programs - youths	31	31	31	35
Pre-school classes	10	10	10	11
Open gyms	3	3	3	3
Special events	50	50	50	50
Library				
Volumes in collections	718,346	756,567	712,918	749,098
Circulation	876,040	901,850	899,448	985,176
HOME AND COMMUNITY SERVICES				
Water				
Average daily consumption (millions of gallons)	26,641	28,164	27,700	27,700
Peak daily consumption (millions of gallons)	35,496	36,224	37,024	37,024
Refuse				
Refuse collected (tons per day)	451	451	560	566
Recyclables collected (tons per day)	257	257	630	639
Total refuse tons	117,294	115,805	111,000	111,042
Total recycling tons	66,727	76,905	76,700	76,763

Note: "N/A" indicates data not available.

Sources: Various City departments

2008	2009	2010	2011	2012	2013
1,418	1,344	1,303	1,371	1,598	1,630
15,415	14,293	16,822	15,557	13,306	14,024
6,391	5,827	6,374	6,100	6,131	6,502
156,605	161,489	153,631	217,404	147,570	148,979
15,148	14,242	14,949	14,949	14,701	15,035
2,450	1,168	1,613	1,613	1,490	1,599
4,600	552	1,970	1,970	3,045	6,235
56	56	56	56	99	99
46	46	46	46	94	94
7	7	7	7	6	6
26	26	26	26	35	35
12	12	12	12	12	12
15	15	15	15	58	58
44	44	44	44	238	238
11	10	10	10	39	39
-	3	3	3	2	3
50	50	50	50	60	180
702,449	737,571	753,503	769,435	650,295	678,846
1,024,186	881,130	855,798	868,285	920,250	895,792
27,662	28,000	29,670	29,550	27,037	26,730
33,620	36,096	39,200	39,425	37,795	35,110
402	409	370	395	367	346
220	226	171	199	201	267
104,599	106,340	96,147	102,700	91,581	90,076
57,251	58,760	44,482	51,740	50,110	69,490

City of Yonkers, New York

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

	2004	2005	2006	2007
GENERAL GOVERNMENT SUPPORT				
Number of general government buildings	25	25	25	25
PUBLIC SAFETY				
Number of police stations	8	8	8	8
Number of fire stations	12	12	12	12
Patrol units	20	20	20	20
TRANSPORTATION				
Miles of streets	292	292	292	292
Number of street lights	26,000	26,000	26,000	26,000
Number of traffic signals	201	201	201	201
CULTURE AND RECREATION				
Number of community centers	4	4	4	6
Number of parks	76	76	76	76
Acres of parks	410	410	410	410
Playgrounds	53	53	53	53
Baseball/softball diamonds	57	57	57	57
Outdoor tennis courts	23	23	23	23
Soccer fields	30	30	30	27
Basketball courts	48	48	48	48
Parks ancillary buildings	17	18	18	18
Rifle range	1	1	1	1
Indoor pool	1	1	1	1
Skating center	1	1	1	1
Skate board park	-	-	-	-
Animal shelter	1	1	1	1
Nature trails	2	2	2	2
Greenhouses	2	2	2	2
Picnic areas	2	2	2	2
Libraries	3	3	3	3
HOME AND COMMUNITY SERVICES				
Miles of water mains	375	375	375	375
Fire hydrants	4,500	4,500	4,500	4,500
Miles of sanitary sewers	400	400	400	400

Sources: Various City departments

2008	2009	2010	2011	2012	2013
25	25	25	25	25	25
8	11	11	11	11	11
12	12	12	12	12	12
20	21	21	21	21	21
292	292	292	292	292	292
26,000	26,000	26,000	26,000	26,000	26,000
201	201	201	201	201	215
6	5	5	5	5	5
76	76	76	76	76	76
410	410	410	410	410	410
53	53	53	53	53	53
57	57	57	57	57	57
23	23	23	23	23	24
27	27	27	27	27	27
48	48	48	48	48	48
18	18	18	18	18	18
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
-	-	-	-	-	1
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
3	3	3	3	3	3
375	375	375	375	375	385
4,500	4,500	4,500	4,500	4,500	4,500
400	400	400	400	400	400

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FEDERAL AWARDS

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Mayor and City Council
of the City of Yonkers, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Yonkers, New York ("City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 9, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2013-001 to 2013-008 to be material weaknesses.

O'CONNOR DAVIES, LLP

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2013-009 to 2013-010 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as findings 2013-011 to 2013-014.

We noted certain other matters that we reported to the management of the City in a separate letter.

City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



O'Connor Davies, LLP

Harrison, New York

April 9, 2014

**Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance****Independent Auditors' Report**

**The Honorable Mayor and the City Council
of the City of Yonkers, New York**

Report on Compliance for Each Major Federal Program

We have audited the City of Yonkers, New York's ("City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Education Fund, the Education Special Aid Fund, the Education Capital Projects Fund, the School Lunch Fund and the Education Debt Service Fund, which received \$34,553,279 in federal awards which is not included in the schedule during the year ended June 30, 2013. Our audit, described below, did not include the operations of these funds because the A-133 compliance audit is being issued under separate cover by the Yonkers Public Schools.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

O'CONNOR DAVIES, LLP

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-011 to 2013-014. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the non-compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-011 to 2013-014, that we consider to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



O'Connor Davies, LLP

Harrison, New York

April 9, 2014

City of Yonkers, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs		
Community Development Block Grants	14.218	\$ 3,220,175
Emergency Solutions Grants Program	14.231	50,973
Home Investment Partnerships Program	14.239	740,730
Homelessness Prevention and Rapid Re-Housing Program - ARRA (2)	14.257	538
		4,012,416
Indirect Program - Passed through the City of New York		
Housing Opportunities for Persons with AIDS	14.241	349,831
Total U.S. Department of Housing and Urban Development		4,362,247
<u>U.S. Department of Justice</u>		
Direct Programs		
<i>JAG Program Cluster</i>		
Edward Byrne Memorial Justice Assistance Grant	16.738	192,060
Edward Byrne Memorial Justice Assistance Grant/ Grants to Units of Local Governments	16.804	50,000
Edward Byrne Memorial Justice Assistance Grant/ Grants to Units of Local Governments - ARRA (2)	16.804	83,974
Subtotal JAG Program Cluster		326,034
Public Safety Partnership and Community Policing Grant	16.710	399,715
Byrne Criminal Justice Innovation Program	16.817	163,604
Paul Coverdell Forensic Sciences Improvement Grant	16.742	57,108
Total U.S. Department of Justice		946,461
<u>U.S. Department of Labor</u>		
Indirect Programs - Passed through New York State Department of Labor		
<i>WIA Cluster</i>		
WIA - Adult Program	17.258	633,057
WIA - Youth Activities	17.259	831,312
WIA - Dislocated Workers	17.278	622,994
Total U.S. Department of Labor		2,087,363

(Continued)

City of Yonkers, New York

Schedule of Expenditures of Federal Awards (Concluded)
Year Ended June 30, 2013

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Transportation</u>		
Direct Program		
Highway Planning and Construction	20.205	\$ 903,589
<u>U.S. Department of Energy</u>		
Direct Program		
Energy Efficiency and Conservation Block Grant Program - ARRA (2)	81.128	1,464,400
<u>U.S. Department of Health and Human Services</u>		
Indirect Programs - Passed through Westchester County		
<i>Aging Cluster:</i>		
Aging - Title iii, Part B Grants for Supportive Services and Senior Centers	93.044	466,093
Aging - Title III, Part C Nutrition Services	93.045	231,059
Subtotal Aging Program Cluster		697,152
National Family Caregiver Support, Title III, Part E	93.052	16,797
Total U.S. Department of Health and Human Services		713,949
<u>U.S Department of Homeland Security</u>		
Direct Program		
Staffing for Adequate Fire and Emergency Response	97.083	813,965
Indirect Programs		
Passed through New York State Division of Homeland Security and Emergency Services		
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	4,670,853
Hazard Mitigation Grant	97.039	72,453
Passed through New York State Office of Homeland Security		
Citizens - Community Resilience Innovation Challenge	97.053	63,198
Homeland Security Grant Program	97.067	3,618,283
Metropolitan Medical Response System	97.071	369,214
Buffer Zone Protection Program	97.078	61,714
Total U.S. Department of Homeland Security		9,669,680
Total Expenditures of Federal Awards		\$ 20,147,689

(1) Catalog of Federal Domestic Assistance Number

(2) American Recovery and Reinvestment Act

The accompanying notes are an integral part of this schedule.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Yonkers, New York ("City") under programs of the federal government for the year ended June 30, 2013. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

The financial statements include \$34,553,279 of Federal aid that is attributable to the Yonkers City School District. The audit of compliance in accordance with OMB Circular A-133 will be issued separately by the School District.

Finding 2012-01: Taxes Receivable

Condition: No systematic procedures in place to ensure monthly reconciliations of tax receivable accounts, which results in a backlog of transactions not posted to the general ledger for several months and bank reconciliations containing significant reconciling transactions that are not posted until several months later.

Current Status: The condition remained uncorrected. See similar finding 2013-001.

Finding 2012-02: Community Development Section 108 Loan Program

Condition: Loans provided to certain businesses were not all properly vetted, resulting in several loans being in arrears. Finance personnel are not notified about these delinquent loans and accordingly allowances for uncollectible amounts are not reflected in the books and records. If CDGB funds are not available, the City's General Fund would be responsible for repayment of these defaulted loans.

Current Status: The condition remained uncorrected. See similar finding 2013-005.

Finding 2012-03: Budget Amendments and Transfers

Condition: Our audit disclosed that several functional expenditure categories exceeded their budget authorizations. Budget transfer authorization was not sought from the City Council or the New York State Office of the State Comptroller as fiscal agent for the City.

Current Status: The condition remained uncorrected. See similar finding 2013-009.

Finding 2012-04: Capital Asset Records

Condition: Capital asset records are not being maintained on an ongoing basis but are just being summarized well after year end, resulting in a significant delay in financial statement issuance.

Current Status: The condition has been corrected.

Finding 2012-05: Grant Fund

Condition: Grant Fund activity is tracked on a cash basis in the accounting system while a manual spreadsheet is utilized to record accruals and deferrals. Neither finance nor departmental personnel track the status of these balances, and therefore, amounts remain on the books and are never adjusted or reconciled.

Current Status: The condition remained uncorrected. See similar finding 2013-010.

Finding 2012-06: Matching of Federal Expenditures and Revenues

Condition: Expenditures and revenues are not matched in the fiscal year that the expenditures is incurred.

Current Status: The condition remained uncorrected. See similar finding 2013-004.

City of Yonkers, New York

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified
- Significant deficiency(ies) identified?

 X Yes No
 X Yes None reported

Noncompliance material to financial
statements noted?

 Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

 Yes X No
 X Yes None reported

Type of auditors' report issued on compliance
for major programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with Section 510(a) of Circular A-133?

 X Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.710	Public Safety Partnership and Community Policing Grant
20.205	Highway Planning and Construction
81.128	Energy Efficiency and Conservation Block Grant Program - ARRA
	Aging Cluster:
93.044	Aging – Title III, Part B Grants for Supportive Services and Senior Centers
93.045	Aging – Title III, Part C Nutrition Services
97.036	Disaster Grants – Public Assistance (Presidentially Declared)
97.067	Homeland Security Grant Program
97.071	Metropolitan Medical Response System

Dollar threshold used to distinguish
between Type A and Type B programs:
Auditee qualified as low-risk auditee?

 \$604,431
 Yes X No

Section II - Financial Statement Findings

Finding 2013-001: Taxes Receivable

Criteria: There is no systematic procedures in place to ensure that timely and complete monthly reconciliations of tax receivable accounts are prepared and reviewed by supervisory personnel.

Condition: A backlog of transactions not posted to the general ledger for several months. This also results in bank reconciliations containing significant reconciling transactions that are not posted for several months.

Cause: The City utilizes two, non-integrated software packages that must be manually reconciled by finance personnel. There is a shortage in personnel caused by budgetary constraints.

Effect or Potential Effect: Significant discrepancies in amounts reported in financial statements for cash, taxes receivable, deferred taxes and ultimately fund balance.

Recommendation: A procedure requiring personnel to reconcile these accounts on a monthly basis. A unique identifier for each batch of transaction should be utilized which can be used to more easily identify transactions when discrepancies arise.

Management's Response: See corrective action plan.

Finding 2013-002: Supervisory Review and Approval of Tax Write-Offs

Criteria: There is no formal procedure in place for the write-off of real property taxes.

Condition: This results in taxes being written-off without supervisory or City Council authorization.

Cause: Lack of supervisory review and integration with the records in the Finance Department.

Effect or Potential Effect: Significant discrepancies between the COYTAX subsidiary records and the general ledger.

Recommendation: The City should develop policies and procedures to ensure supervisory and City Council approval of write-offs.

Management's Response: See corrective action plan.

Finding 2013-003: Water and Sewer Rents Receivable

Criteria: The City implemented a new water and sewer billing system in the current year.

Condition: The conversion of the data from the old system to the new system was not properly verified by City personnel, leading to discrepancies in account balances carried forward and between the general ledger and the detail subsidiary records.

Cause: A shortage in personnel and issues implementing the Oracle general ledger system.

Section II - Financial Statement Findings (Continued)

Finding 2013-003: Water and Sewer Rents Receivable (Continued)

Effect or Potential Effect: Delays in completing audit of these funds as audit adjustments of \$4 million were necessary to adjust general ledger balances to the subsidiary records, as corrected.

Recommendation: The City should develop policies and procedures to ensure that the new subsidiary water and sewer records and the general ledger are reconciled on a monthly basis.

Management's Response: See corrective action plan.

Finding 2013-004: Matching of Federal Expenditures and Revenues

Criteria: Expenditures of Federal awards and the related revenue should be recorded as such in the fiscal year that the expenditure is incurred.

Condition: Revenues were not matched to expenditures incurred.

Cause: Lack of coordination between the various City departments and the Finance Department.

Effect or Potential Effect: Lack of matching of revenues and expenditures in the same fiscal year and failure to report these expenditures in the Schedule of Expenditures of Federal Awards resulted in a \$600,000 adjustment upon audit.

Recommendation: Institute policies and procedures that ensure that all departments notify the Finance Department of all federally reimbursable expenditures. This will allow finance personnel to record and track the status of unpaid amounts.

Management's Response: See corrective action plan.

Finding 2013-005: Section 108 and HOME Loan Programs

Criteria: There is no procedure in place to notify management of delinquent loan repayments so that management can establish proper allowances in the books and records.

Condition: Several of these Section 108 loans made to businesses in the past are in arrears. The City has had to utilize its own resources available under its Community Development Block Grant to make the required payments. New HOME loans are not posted in the general ledger. HOME loan repayments are not broken down between principal and interest.

Cause: The Section 108 loans provided to these businesses were not all properly vetted. A lack of understanding by City personnel that these loans must be recorded in the general ledger.

Section II - Financial Statement Findings (Continued)

Finding 2013-005: Section 108 and HOME Loan Programs (Continued)

Effect or Potential Effect: The City uses its resources under the CDBG Block Grant to pay these loans balances, which otherwise would have been utilized for community development purposes throughout the City. If CDBG Block Grant funds are reduced or eliminated in the future, the City's General Fund would be responsible for satisfying this obligation. Without recording all of the outstanding loan balances in the general ledger and updating the activity, the City has no assurance that all balances are being reported and collected.

Recommendation: The City should actively pursue collection of all the loans utilizing all legal means it can. The City should establish a reserve against these loan balances in its books and records. Better coordination between the City's programmatic personnel and the Finance Department to ensure all loans are properly recorded and tracked.

Management's Response: See corrective action plan.

Finding 2013-006: Block Grant Fund

Criteria: Receivables reflected in the books and records should be identifiable and collectible.

Condition: A receivable balance of \$1.3 million has remained on the books for several years.

Cause: Account balance set-up several years ago but not matched to see if a receipt should have been applied to the balance.

Effect or Potential Effect: The amount will have to be written-off and covered by the General Fund or balances in the Section 108 Fund, if available.

Recommendation: The City should investigate the history of this balance and recommend to the Administration and City Council that the amount should be written-off and appropriately funded.

Management's Response: See corrective action plan.

Finding 2013-007: Review of Employee Responsibilities

Criteria: Employees duties should be clearly defined.

Condition: Although an organizational chart exists in the Community Development Agency, employees do not have defined duties which leads to confusion as to who is accountable for particular areas or functions and to whom to report.

Cause: Small number of personnel in the Agency.

Effect or Potential Effect: Items can get overlooked, efforts get duplicated or functions are inefficient.

Section II - Financial Statement Findings (Continued)

Finding 2013-007: Review of Employee Responsibilities (Continued)

Recommendation: The Agency should review its organizational chart and establish detailed duties and reporting responsibilities.

Management's Response: See corrective action plan.

Finding 2013-008: Cash

Criteria: Bank account reconciliations should be performed on a monthly basis. Reconciling items, such as non-sufficient funds checks, should be posted back to the original account until successfully redeposited. All deposits should be posted immediately to the general ledger.

Condition: Bank reconciliations for the City's larger accounts are not done in a timely manner on a monthly basis. Non-sufficient funds checks are carried on the bank reconciliation from month to month without adjusting the original account that was relieved. Actual bank deposits are not posted to the general ledger in a timely manner.

Cause: Adapting to the new accounting software system.

Effect or Potential Effect: Revenues can be understated for the deposits not booked. Receivables could be understated for non-sufficient funds checks. The general ledger balances could be incorrect until the bank reconciliations are completed.

Recommendation: Procedures should be modified to ensure bank reconciliations are done on a monthly basis and that reconciling items are properly cleared.

Management's Response: See corrective action plan.

Finding 2013-009: Budget Amendments and Transfers

Criteria: General Municipal Law provides that no expenditure be made unless an amount has been appropriated for a particular purpose and is available.

Condition: Out audit disclosed several functional expenditure categories exceeded their budgetary authorizations.

Cause: The Administration did not seek budget transfer approval from the City Council or the New York State Comptroller's Office as fiscal agent for the City.

Effect or Potential Effect: The City is in violation of General Municipal Law.

Recommendation: The Administration should seek City Council and New York State Comptroller's Office budgetary transfer authorization before incurring any obligation.

Management's Response: See corrective action plan.

Section II - Financial Statement Findings (Continued)

Finding 2013-010: Grant Fund

Criteria: The Grant Fund is tracked on a cash basis in the accounting system while an excel spreadsheet is utilized to record accruals and deferrals. Neither finance nor departmental personnel track the status of these accruals and deferrals.

Condition: Certain receivables and deferrals remain on the books and are never adjusted.

Cause: Since the activities are tracked off-line once a year, City personnel are not aware these balances exist.

Effect or Potential Effect: Amounts will have to be written-off and the General Fund will have to absorb the charges, often without City Council approval.

Recommendation: These transactions should be recorded within the general ledger and not off-line. This would allow departmental personnel to monitor the activity to ensure that receivables and deferrals are properly monitored.

Management's Response: See corrective action plan.

Section III - Federal Award Findings and Questioned Costs

Finding 2013-011: CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) Timekeeping Oversight and Administration

Criteria: Disaster reimbursement is based on verification of completed work and actual eligible cost. Therefore, proper documentation of costs and other records is an absolute requirement. It is not enough to complete the disaster work; the work must also be fully and accurately documented. The applicant must document costs related to the work performed, to include the specific activities performed by the force account labor, rates, and the volume of debris removed. Documentation should differentiate between overtime and straight - or regular-time work and costs. The Federal Emergency Management Agency (FEMA) provides forms (in excel format) to assist the City in keeping track of the actual work performed at each work-site. The forms are used to summarize all labor, materials, equipment and contract information from the City's original documentation.

Condition: The City's underlying time sheet documentation, in some cases, lacked overtime authorization and other evidence of completeness.

Cause: While the City provided us with the required FEMA forms to document the reimbursement of the straight-time, regular-time, overtime salaries and benefits and equipment usage for its permanently employed personnel who performed the disaster-related debris and wreckage removal work and the emergency protective services, we noted the following issues with the City's underlying original documentation:

- Authorization of overtime was not evident from the time records provided by the Department of Public Works.
- The City has systems in place to track hours worked and overtime, but the systems vary widely from department to department. Due to this, we did not receive some authorized payroll time records.
- A large number of personnel across the City are allowed to approve overtime, and there appears to be no procedure in place for a higher level of review of overtime incurred.
- The Fire Department did not identify the operators of emergency equipment. We, therefore, were unable to verify the time charges for equipment usage from the time records provided. Total equipment hours should have been compared to appropriate personnel hours to ensure both are accurate.

Effect or Potential Effect: If the City's internal controls over disbursements for payroll and the payment of overtime is not stringent or if management is not vigilant, material incorrect or improper payments can incur. Incomplete documentation could result in the City not receiving reimbursement for which it might otherwise have been entitled.

Recommendation: It is imperative that deficiencies in internal control be corrected by management as soon as possible to ensure proper accountability and transparency for expenditures of Federal awards. Management will want to consider the following controls:

- Program managers and staff understand and have identified key compliance objectives of the Federal grants they administer.
- Internal audit routinely tests for compliance with Federal requirements.
- Adequate source documentation exists to support amounts and items reported.

Section III - Federal Award Findings and Questioned Costs (Continued)

Finding 2013-011: CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) Timekeeping Oversight and Administration (Continued)

- Reconciliations and reviews ensure accuracy of reports.
- Ongoing monitoring built-in through independent reconciliations, staff meeting feedback, rotating staff, supervisory review, and management review of reports.

Management's Response: See corrective action plan

Finding 2013-012: CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) Duplicated Equipment Usage Charges – Questioned Costs

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR Part 215) require that non-Federal entities receiving Federal awards (i.e. auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Condition: Duplicate entries were noted on the FEMA Force Account Labor and Equipment Records.

Cause: Computer and program controls were not in place to catch duplicate entries made for equipment usage costs charged by the Parks and Recreation Department.

Questioned Costs: Duplicate charges in the amount of \$38,976.

Recommendation: Before submitting documentation for reimbursement, the City should have a procedure in place to review the computer output data and ensure computations are checked for accuracy.

Management's Response: See corrective action plan

Finding 2013-013: Required Content for the Schedule of Expenditures of Federal Awards and Reporting Correct Catalogue of Federal Domestic Assistance Numbers for:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.710	Public Safety Partnership and Community Policing Grant
20.205	Highway Planning and Construction
81.128	Energy Efficiency and Conservation Block Grant Program – ARRA
	Aging Cluster:
93.044	Aging – Title III, Part B Grants for Supportive Services and Senior Centers
93.045	Aging – Title III, Part C Nutrition Services
97.036	Disaster Grants – Public Assistance (Presidentially Declared)
97.067	Homeland Security Grant Program
97.071	Metropolitan Medical Response System

Section III - Federal Award Findings and Questioned Costs (Continued)

Finding 2013-013: Required Content for the Schedule of Expenditures of Federal Awards and Reporting Correct Catalogue of Federal Domestic Assistance Numbers for: (Continued)

Criteria: Circular A-133 states that the auditee must prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. At a minimum, the schedule of expenditures of federal awards should include the following:

- List of individual federal programs by federal agency, including cluster programs.
- For federal awards received as a sub-recipient include the name of the pass-through entity and the identifying number assigned by the pass-through entity.
- Provide the total federal awards expended for each program and the identifying CFDA number.
- Include notes that describe the significant accounting policies used to prepare the schedule.

Condition: At the commencement of our field work, a SEFA was not provided by the City.

Cause: The City does not appear to have a method or system in place to compile a complete and accurate SEFA.

Effect or Potential Effect: The auditors' opinion on the SEFA may be significantly impacted when required information is not included in the schedule. There could be the perception that the City may not be in compliance with Circular A-133 requirements to manage its federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements. In addition, the A-133 report may not be filed by the due date which is the earlier of 30 days after the receipt of the auditors' report or nine months after the end of the audit period.

Recommendation: The City should prepare a SEFA for the period under audit. The City should ensure there is effective internal control over compliance for federal programs.

Management's Response: See corrective action plan

Finding 2013-014: Subrecipient Monitoring - Energy Efficiency and Conservation Block Grant Program (EECBG) and Subrecipient Versus Vendor Status.

Criteria: The auditee is responsible for ensuring compliance for vendor transactions which are structured such that the vendor is responsible for program compliance or the vendor's records must be reviewed to determine compliance.

Condition: The City received a grant directly from the Department of Energy to replace windows in City Hall. The City entered into an agreement with the New York Power Authority (NYPA), which was considered to be a vendor, to administer the grant. NYPA in turn sub-contracted the work to another vendor to perform the actual installation. An agreement existed between NYPA and the subcontractor that detailed program compliance, but we were not able to evaluate said compliance by reviewing either the City's or NYPA's records.

Cause: The City did not monitor the activities of subrecipient.

Section III - Federal Award Findings and Questioned Costs (Continued)

Finding 2013-014: Subrecipient Monitoring - Energy Efficiency and Conservation Block Grant Program (EECBG) and Subrecipient Versus Vendor Status. (Continued)

Effect or Potential Effect: We could not obtain sufficient assurance of compliance from reviewing the City's records and procedures and, therefore, a deficiency in internal control over compliance exists.

Recommendation: Because the City acted as a pass-through entity, it still has responsibility to monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements and that performance goals are achieved.

Management's Response: See corrective action plan

